Daily Report

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Nazarbayev Addresses International Air Safety Talks

MK1207121094 Moscow KOMMERSANT-DAILY in Russian 12 Jul 94 p 14

[Report by Mikhail Lashch: "Results of Interstate Aviation Committee Session. Aviation Meeting Addressed by Nursultan Nazarbayev"]

[Text] The joint coordinating conference of CIS transport ministers and the annual session of the Interstate Aviation Committee [IAC] concluded yesterday in Alma-Ata [Almaty]. The conference was timed to coincide with the 100th anniversary of the ICAO (International Civil Aviation Organization, which includes 83 countries).

The seriousness of the event was attested by the fact that the festive joint opening of the IAC session and the ministerial meeting was attended by Kazakhstan President Nursultan Nazarbayev, Prime Minister Sergey Tereshchenko, and Deputy Prime Minister Assygat Zhabagin.

In her opening address, IAC Chairman Tatyana Anodina emphasized that the ICAO is one of the most representative organizations in the UN structure. Mrs. Anodina pointed out that the former Soviet republics that joined the ICAO have chosen the right path, because ICAO membership will enable them to resolve many of the most complex problems concerning civil aviation. In conclusion, Tatyana Anodina congratulated the Kazakhstan president on his birthday, which coincided with the opening of the ministerial coordinating meeting, and presented him with a silver aircraft model.

Nursultan Nazarbayev said that "the work of the International Aviation Committee's session fits in with my idea about a Eurasian Union." Mr. Nazarbayev likened his idea to integrationist processes in civil aviation, for which the ICAO has provided a foundation. The conference was also addressed by Vadim Zamotin, chief of the civil aviation department, and ICAO General Secretary Philippe Rochas.

The working conference, which was held on the day after the IAC session's opening, focused on enhancing cooperation between national air lines, streamlining rules regulating the use of the former USSR's air space, and ensuring the safety of flights over its territory. Most participants in the conference agreed that the most effective measures to ensure flight safety must be closer attention to the certification of aircraft and air pilot training.

More Parties Join Union of Communist Parties-CPSU

PM1207142794 Moscow SOVETSKAYA ROSSIYA in Russian 12 Jul 94 p 2

[Report by Nadezhda Garifullina: "Unified Party—Unified Union"]

[Text] One more very important step toward the unification of the communists of the republics on the territory of the Soviet Union was taken at a plenum of the Council of the UCP-CPSU [Union of Communist Parties-Communist Party of the Soviet Union] held at Gorki Leninskiye 9-10 July 1994: It has incorporated four more communist parties. The Communist Party of the Russian Federation, the Communist Party of Ukraine, and the United Communist Party of Georgia have been admitted as full members, while the Communist Party of Azerbaijan has joined the UCP-CPSU as an associate member. Thus today 14 communist parties from 11 republics have united.

The UCP-CPSU's tasks in conditions of the exacerbation of the political and socioeconomic crisis on the USSR's territory were discussed—the report on this issue was delivered by Oleg Shenin, chairman of the Council's Political Executive Committee.

The plenum approved the results of the coordinating meeting of the communist parties' leaders held in Moscow 21-22 May and supported the activity of the UCP-CPSU Political Executive Committee aimed at reviving the USSR, emphasizing that the upcoming Second Congress of USSR Peoples is a matter of paramount importance to all communist parties.

It is planned to convene the 30th UCP-CPSU Congress in the first half of 1995.

A Statement in Defense of V.I. Lenin was adopted; it calls on deputies of the Russian Federal Assembly and parliamentarians of the states formed on the USSR's territory to adopt laws on protecting monuments of the fatherland's history.

Baltics 1st Joint Peacekeeping Exercises Start 12 Jul

LD1207120594 Tallinn Radio Tallinn Network in Estonian 0600 GMT 12 Jul 94

[Text] Joint Estonian-Latvian-Lithuanian peacekeeping exercises are being held at the Pabrade training ground, 50 km from the Lithuanian capital, Vilnius, from today until 15 July. According to the brief for the exercises, future Estonian, Latvian, and Lithuanian peacekeepers are acting under a UN peacekeeping mandate for the first time. According to the brief, the Baltic peacekeeping battalion has been given a UN mandate to enter the buffer area between two hostile countries. The Baltic peacekeepers are practicing UN peacekeeping forces' action tactics and command of subunits.

During the exercises, observation posts will be set up as well as a system of checkpoints, and joint patrols will be practiced.

Thirty officers from Estonia's Defense Forces, the Kaitseliit [defense league], and the border guards are attending the exercises. They have volunteered for

peacekeeping training and wish to join the Baltic peacekeeping battalion which is being set up. A support group of soldiers from the Kuperjanov independent infantry battalion and cadets of the Estonian State Defense Academy has been set up.

ITAR-TASS Carries Press Review for 13 Jul

LD1307072494 Moscow ITAR-TASS in English 0541 GMT 13 Jul 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow July 13 ITAR-TASS—ROSSIYSKAYA GAZETA today leads with a statement of the Central Electoral Commission of the Russian Federation on recent press reports and public speeches of State Duma deputies and private individuals alleging that the results of the popular referendum on the new constitution of Russia and the returns of the elections to the Federal Assembly, Russia's supreme legislature, had been falsified. The Central Electoral Commission of the Russian Federation denies such allegations as having nothing in common with reality and views their circulation as a sign of lack of competence or a deliberate attempt at destabilising the public and political situation in the country, the statement says.

Commenting on the results of the presidential elections in Ukraine and Byelorussia [Belarus], NEZAVISIMAYA GAZETA writes: "one way or another, but the development of the events west of Russia (in the former Soviet republics) is disrupting the status quo to which the Moscow bureaucracy has got accustomed. The bureaucracy is now facing new problems, although it has not yet learned to cope with those which arose since December 1991".

The same newspaper carries an article of Konstantin Zatulin, chairman of the State Duma committee on relations with compatriots abroad, who says among other things that "last week the parliament held open hearings on the origin of the Commonwealth of Independent States and prospects for its development. The hearings were something extraordinary for both the former party nomenklatura and the present elite of Russian society. No matter how hard some people try to belittle the significance of the hearings, the fact that they took place is the most important evidence that we are becoming, albeit slowly, a democratic, open society. At least from the point of view of behaviour of the political elite".

NEZAVISIMAYA GAZETA publishes a report about the migration of population in Russia and the Commonwealth of Independent States, which predicts that until the year 2000 from two to four million Russians will be repatriated every year. Other ethnic groups involved in major moves are Germans, Jews, Meskhetian Turks and Greeks. Since 1990, some 100,000 people have left this country annually. Most emigrants move to Israel, Germany and the United States. More than one third of the emigrants are white-collar workers. Braindrain is gaining momentum from fundamental scientific research and the defence sector. The level of immigration from Russia is low than from other parts of the former Soviet Union: while the total population of Russia accounts for more than one half of the population of the former Soviet Union, the rate of emigration from it amounts to more than one quarter of all emigrants from the ex-Soviet republics.

The same newspaper carries an article signed by Aleksandr Pochinok, chairman of the State Duma committee on banks, finances, taxes and budget. Pochinok insists that Russia's Choice faction is resolutely opposed to any changes in the tax legislation which can worsen the situation of the people and will do everything in its power to block such amendments to the law on income tax on natural persons.

NEZAVISIMAYA GAZETA also publishes an extensive article by State Duma deputy Viktor Sheynis who declares that "the development of events is proceeding very fast and unpredictably. The interlude can run out any moment. There is only one reply to the question "what is to be done next", a reply similar to that given to the same question by a prominent politician of the beginning of this century, who is not very popular now, "we should build democratic party structures".

ROSSIYSKIYE VESTI states that "taking into account the current climatic conditions, the agrarian sector of Russia can gather in between 92 and 96 million tons of grain and beans this year". At the same time the newspaper reports that "experts expect the trade balance for this year will be positive, but will amount to 16 billion dollars as against 17.5 billion dollars last year. The import is likely to increase by eight percent". According to the Economics Ministry's forecast, "the rate of inflation will be moderate in the second half of the year. The average monthly price growth rate will reach six to nine percent with a slight jump in September and October to 10-11 percent".

TRUD carries an interview with chairman of the trade union of Russian miners Boris Misnik who says, "we understand; redundancies are unavoidable. The same is happening in other countries. The world manufactures more ferrous metals than it needs. Over the past twenty years, the number of people employed in this sector has been cut by half in the whole world. We are determined to pressure the state to take large-scale measures to ensure social protection of the workforce and provide opportunities for retraining".

KOMSOMOLSKAYA PRAVDA carries an interview with the Minister of Internal Affairs of Armenia Vano Siradegyan, in which he says " we must put up a solid barrier to criminals on the borders of Armenia, we must detain offenders and take them to court without waiting for them to commit new outrages in Russia. We have agreed with the personnel of the department for combating organised crime of the Moscow Internal Affairs Directorate that my officers will be stationed in Moscow

and, as soon as one of "our" criminals is caught in the act in the Russian capital, they will dispatch the offender to Armenia within three days".

PRAVDA carried an interview with Leonid Kuchma given before he was elected Ukraine's new president. Kuchma said "Ukraine can be pulled out of the crisis only by its own peasants, industrial workers, entrepreneurs and people working in the fields of health services, science, education and culture. The state should have begun efforts long ago to stimulate morally and materially their energy and honest work".

The number of the unemployed in the Leningrad region increased by more than 40 percent since the beginning of the year, while the overall number of vacancies has dwindled considerably, according to vesti. Teenagers and young men and women are the worst hit as their competitiveness on the labour market is low, as a rule, because of inadequate vocational training. The employment service predicts that only 4,600 of the 15,600 graduates of the city's educational establishments will be able to find jobs this year.

This week's issue of the political weekly "New Times" is a joy to its readers, because it carries last-minute comments on the presidential elections in Ukraine and Byelorussia. It also offers an article by Marina Shakina "Gorbachev has taken a rest and is ready to return" which recounts the former Soviet president's latest activities, which combine thing pleasant and unpleasant, Anna Dubrovina's comment on the uncertainty of the present status of the Constitutional Court, Igor Ryabov's "apocalypse in the heart of the black continent" devoted to the tragedy of Rwanda, and further comment on the Naples summit of the world's leading industrialized countries, in which the Russian president took part.

Those who are keen on sensational publications will be drawn to Marina Pavlova-Solvanskaya article about the British royal family, the German and Italian political circles and in Russian political life, which the author describes as "one continuous scandal partially legalized by the parliament". The weekly's research file is also interesting: Lev Bezymenskiy penned "A Bomb for Hitler" recounting the events that took place fifty years ago when the Soviet intelligence service prepared an attempt on Hitler's life but Stalin unexpectedly vetoed the operation fearing that power in Germany might be seized by Goering or von Papen, who might opt for separate negotiations with the West.

Chernomyrdin Receives PRC Defense Minister

LD1307091894 Moscow ITAR-TASS World Service in Russian 0842 GMT 13 Jul 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow, 13 Jul—Questions of bilateral relations were discussed today at a meeting between Russian Federation government chairman Viktor Chernomyrdin and PRC Defense Minister Chi Haotian. The conversation was part of the preparations for a visit by Chinese Head of State Jiang Zemin to Russia in September of this year.

At the talks both sides expressed the idea of the impossibility of pursuing a successful policy in the Asian-Pacific region without the participation of Russia and the PRC. Chi Haotian highly appraised the practical results of Viktor Chernomyrdin's recent visit to China for the development of Russian-Chinese political and economic relations.

Soskovets, Chi Discuss Cooperation

LD1207124694 Moscow ITAR-TASS in English 1219 GMT 12 Jul 94

[Text] Moscow July 12 TASS—At a meeting with Chinese Defence Minister Chi Haotian, Russian First Deputy Prime Minister Oleg Soskovets spoke in favour of the development of military-technical cooperation between Russia and China.

Oleg Soskovets recalled that the new military Russian doctrine has cardinally changed the action of armed forces and bears, above all, a defencive character. He especially emphasised that Russia does not regard none of the country in the world as its potential adversary. "A stable army, possessing modern arms, is a guarantor to democracy and independence of a state," he emphasised.

In turn, Chi Haotin favoured a long-term cooperation between the two armies. Noting that the Chinese Army similarly pursues a peaceful character, the Chinee defence minister emphasised that goodneighbourliness between Russia and China is useful to the whole world.

According to Oleg Soskovets, the agreement on preventing dangerous military activities, which was signed this morning, is directed towards the development of bilateral goodneighbourly relations.

Russia, PRC May Sign Accord on Missile Nontargetting

LD1207162994 Moscow ITAR-TASS World Service in Russian 1458 GMT 12 Jul 94

[By ITAR-TASS diplomatic correspondent Dmitriy Gorokhov]

[Text] Moscow, 12 July—The upcoming visit of PRC President Jiang Zemin to Russia at the beginning of September may be marked by the signing of an agreement on the mutual nontargetting of missiles. This was stated by Andrey Kozyrev when he received Chinese Defense Minister Chi Haotian at the Russian Foreign Ministry today. The Russian foreign minister believes that such an accord will be in keeping with the nature of the relations that have so far developed between the two countries.

According to one of the Russian diplomats who was at the talks, the relevant agreement is being prepared, and it will probably prove possible to conclude it by the time the Chinese head of state visits.

The current visit of the head of the PRC military department is itself an illustration of the intense nature of the Russian-Chinese dialogue. It is taking place only two weeks after the visit of PRC Foreign Minister Qian Qichen to Moscow at the end of June.

A. Kozyrev noted the importance of a political dialogue with Beijing. According to the minister, he also attaches great importance to the development of military and military-technological ties.

Chi Haotian said that there were "very good relations" between China and Russia. This numerous visits, including visits in the military sphere, are evidence of this.

Iraq Said Hoping 'To Bribe Moscow'

PM1207165594 Moscow IZVESTIYA in Russian 13 Jul 94 p 3

[Report by Elmar Guseynov: "Iraq Hopes To Bribe Moscow"]

[Text] The Iraqis are prepared to pay Russia generously for helping to get sanctions lifted.

First, they are proposing to repay their debts to Russia—around $7 billion—as soon as sanctions are lifted or eased. The Iraqis plan to pay using their oil. Second, Russia is being promised the most profitable contracts for completing projects begun by our firms before the Gulf War, as well as new contracts on the most favorable terms.

As an interim step the Iraqis, judging by everything, have proposed that Moscow close its eyes to the violation of the existing embargo by certain Russian private firms.

These proposals were made by Tariq 'Aziz during his top-secret meeting with Andrey Kozyrev in St. Petersburg last week. After the 'Aziz visit, Russian diplomats firmly stated that Russia's position is to recognize the need to begin the process of lifting the sanctions on Iraq.

The UN Security Council will discuss the question of economic sanctions against Iraq for the umpteenth time 18 July. On the eve of the debates the Iraqis are staging a vigorous diplomatic offensive in the quest for possible allies. Russia could act as mediator for Iraq.

The Iraqis' main argument is that Baghdad has formally carried out UN Security Council Resolution 687, which requires the disarmament of Iraq and the complete monitoring of that country's military programs. Proof of Iraq's fulfillment of this resolution was passed to the Kremlin by Tariq 'Aziz.

According to certain information, Iraqi Vice Premier Tariq 'Aziz informed Moscow that Baghdad is prepared to recognize Kuwait within its current borders. But, in return, the Iraqis want not only the lifting of sanctions but a new role for Iraq in the region.

Iraq's "new role" in the Near East, as Baghdad politicians see it, is based, paradoxically, on the "dual coverage" doctrine worked out by U.S. analysts. The doctrine asserts the need for the international isolation not only of Iran—a long-standing U.S. strategic aim—but of Iraq as well. Iraq should not be isolated, Tariq Aziz claims, since the country could become part of the U.S. system for containing Iran.

Russia is not the only country with an interest in obtaining the repayment of debts from Iraq or compensation for the damage done by Baghdad's aggression against Kuwait. $94.8 billion is the current estimate of the losses incurred by Kuwait itself as a result of the Iraqi invasion. The 201 boxes of documents confirming the scale of the losses suffered by state institutions, private firms, and Kuwaiti subjects were submitted a few days ago to the UN Compensation Commission in Geneva. This sum also includes losses of natural resources and of the oil burned as a result of the Iraqis setting fire to wells on Kuwaiti territory.

A large number of other complaints have been received from the hundreds of thousands of Asian and Arab workers and specialists working in Kuwait who lost their salaries as a result of the Iraqi occupation.

The UN commission, which was set up soon after the Iraqi invasion of Kuwait, is accepting claims from all affected persons, organizations, and governments.

Those affected include Russia—our losses have been put at $2 billion. Incidentally, virtually all the developed countries suffered. But this did not make them treat with Saddam Husayn.

The UN commission and the fund set up to pay the claims have no funds. The fund's money should come from Iraqi oil exports. Before the war this country annually sold oil worth $21 billion. Some 30 percent of these Iraqi export earnings will now be used to compensate those who suffered from the Baghdad regime's military adventure. But the fund will not receive a cent for as long as the economic sanctions against Iraq remain in force. So it is a vicious circle.

The interest that many countries and hundreds of Western firms have in getting compensation for the losses caused by the Iraqi invasion is in conflict with the Western states' political and economic interests of having an endless embargo against Iraq.

They are counting on nonetheless destroying the Saddam Husayn regime with the help of sanctions. This is why it will be impossible to get sanctions lifted without the fundamental agreement of the Western powers—and, judging by everything, this agreement will not be forthcoming in the near future.

The possibility of the embargo being lifted is clearly something that not only the West but the leaders of oil-exporting countries are none too happy about. Their caution is reinforced by the fact that at the last OPEC session Iraq demanded that a quota be reserved for it equal to the current Iranian quota—which is the second largest OPEC exporter after Saudi Arabia. That would mean 3.6 million barrels a day.

But the Iraqi export quota within OPEC has been divided between the Iranians and the Saudis. If such a quantity of oil were to appear on the market, world oil prices would not simply fall—they would collapse. And even the Western countries—consumers of energy resources—have no interest in seeing such a fall in the price. A further fall in the oil price could undermine effective demand in the exporting countries. So, in purely economic terms, few people have an interest in seeing a rapid lifting of the sanctions against Iraq. This means that if Russia wants to help Iraq on this matter, it will have few allies.

'Weighty Reasons' for Quiet on 'Aziz Visit

PM1207105594 Moscow TRUD in Russian 12 Jul 94 p 6

[Erik Alekseyev report: "Why Did Tariq 'Aziz Come to Russia?"]

[Text] There have been no official reports on what was discussed during Russian Foreign Minister Andrey Kozyrev's meeting in St. Petersburg last Thursday with Iraqi Deputy Prime Minister Tariq 'Aziz. The Russian Foreign Ministry has hinted that one should not display heightened interest in Tariq 'Aziz's trip. But this interest is natural, and not only in Russia, since the UN Security Council is due to examine 16 July the question of Iraq's fulfillment of UN Security Council Resolution No. 687 and the possibility (or impossibility) of lifting the embargo on Iraqi oil sales. As you know, the Russian Foreign Ministry has already said that it is mainly the Iraqi people who are suffering as a result of the continuing sanctions. And some people add that Iraq also owes Russia sizable debts.

But there is every indication that the Russian Foreign Ministry had weighty reasons for letting the Iraqi deputy prime minister's current visit pass "without comment."

Deputy Foreign Minister on Sanctions Against Iraq

LD1207212694 Moscow ITAR-TASS in English 2058 GMT 12 Jul 94

[By ITAR-TASS]

[Text] Moscow July 13 TASS—Iraq has made some progress in carrying out the resolutions of the United Nations. It is important that these resolutions be accomplished in full, Boris Kolokolov, Russian deputy foreign minister, told ITAR-TASS on Tuesday as he described Russia's position in the run-up to a session of the Security Council which will look at the effectiveness of U.N. sanctions against Iraq.

It is necessary to pay attention to positive points and encourage Iraq to take further steps, he said, summarizing Russia's approach.

As to specific incentives to be used to encourage Iraq to fulfill U.N. requirements to increasingly full extent, these are under the jurisdiction of the Security Council, he said.

Deputy Kuwaiti foreign minister handed over a letter of his superior to Russian Foreign Minister Andrey Kozyrev on sanctions against Iraq on Tuesday. According to the letter, Baghdad subordinates to sanctions at random, trying to produce a positive impression on the world community and striving for lifting the sanctions. [sentence as received]

Kolokolov did not elaborate on a meeting between Kozyrev and Iraqi Vice-Premier Tariq 'Aziz held on July 7. However, he suggested that the Iraqi party could not hear anything different about Russia's approach to the sanctions.

Kozyrev 'Certain' DPRK To Resume Ties With Russia

LD1207181194

[Editorial Report] Moscow Russian Television Network in Russian at 1625 GMT on 12 July broadcast the 10-minute "Details" program presented by Sergey Dorenko, which is entirely devoted to North Korea in the aftermath of the great leader's death, speculating whether Kim's younger brother could yet upstage the heir apparent. Dorenko put it to Russian Foreign Minister Andrey Kozyrev that the North Koreans were likely to be offended by whatever is said by Russia and Kozyrev's reply was:

"I do not think we have so little by way of regional knowledge that they can be offended by anything we say—we know that country, we know its people, and I am certain that following a period of mourning—and here we extend our condolences—the new leadership will resume ties with Russia."

Dorenko says that nothing was certain where North Korea was concerned and that for a whole year now Russia had not even had a telephone link with North Korea.

ROK Wants Reunification But Has Qualms

PM1207111994 Moscow IZVESTIYA in Russian 12 Jul 94 p 3

[Article by Mikhail Kozhukhov: "Entrance Ticket to a United Korea will Cost a Trillion and Seoul Does Not Have that Kind of Money"]

[Excerpt] Seoul, Moscow—Each morning the officials of the most unusual ministry in the world sit in their offices in a building in Seoul. Their job is to indulge in daydreaming. That is what they are paid for at the South Korean Ministry of National Unification.

The situation is intriguing because there is nothing which instills such horror in the hearts of the prosperous inhabitants of the South more than the prospect of a merger with the fraternal but impoverished DPRK. The mere thought of the German example causes beads of cold sweat to break out on the foreheads of Seoul's civil servants.

The Ministry of Daydreams

Uniting the two halves of the divided peninsula—for Seoul there is no more cherished dream or more delicate problem than that. It is no coincidence that the head of this Orwellian ministry of daydreams has the status of vice premier. Essentially this is the number two post in the South Korean ruling hierarchy.

Consequently, how are the two halves of Korea to be bonded together? The uninitiated are shocked by the lack of any family feeling for the northerners in the official formula adopted in Seoul. They cannot even dream of unification with the south.

"We need time to get to know one another and reduce the economic cost of unification," Kip Chong-wu, head of a policy department of the unification research institute (and the ministry does have such a department), believes. "We will unite 'step by step'."

In his words, the ideal formula to enable the two Koreas to live together under one roof will be a confederation based on "one country, two systems," followed by "two states, one parliament."

Kip Chong-wu believes that this is the ideal option and will take about 10-15 years but the South Korean Government should be ready for a surprise development of events. It is not ruled out that when Kim Chong-il, the "destiny of the nation," inherits power he will not be able to hold onto it and events in Pyongyang will develop according to the Romanian scenario.

The "Tiger" Will Not Be Able to Cope

Seoul has been watching the development of events in Germany with horror and is coming to the conclusion that no matter how much you prepare for unification, you cannot foresee everything. But the most important thing is that the difference in economic development between the two Koreas is chasm-like compared with the distance which separated the two Germanies. Per capita income in the South is seven times greater than the northerners' incomes and GDP is more than 10 times higher. The cost of unification will be colossal. According to various estimates it will be $1.2 trillion. The "economic tiger" alone cannot cope with that.

That is why the southerners' dreams are so unadventurous and their plans so unsentimental. The engineers of unification are haunted by nightmarish visions in which they see millions of their northern brothers invading the Seoul markets and stripping them bare....

The calculations are complicated by the lack of statistics in the DPRK. The most recent, even remotely reliable figures were published 15 years ago. Since then the experts have been forced to rely on circumstantial evidence and eye witness accounts. According to their estimates, since the late eighties the North's economy has been experiencing negative growth and the country has been reducing consumption of energy and food.

But if the replacement of the "great leader and teacher" by the "dear leader" in Pyongyang does not lead to dramatic changes will the present confrontation between the two Koreas continue? The view in Seoul is that in that event economic reforms in the DPRK are inevitable and they will be devastating for the regime.

The cheapness of the workforce in the DPRK is already whetting the appetites of the South Koreans. Since the start of the nineties Seoul has been tacitly but quite definitely encouraging the export of capital to the North. Bilateral trade turnover is presently at the modest figure of $200 million, but there are already enterprises in the DPRK which have been attracting the interest of such leading firms as Samsung, Lucky Goldstar, and Hyundai. It is to meet their orders that North Korean workers are making clothes and toys and assembling electrical household appliances while at the same time cursing capitalism.

In the North, too, of course, they dream of a united Korea. The DPRK's ruling elite is surely well aware of the prosperity of the South, but is not going to force the pace of unification because they are aware that they will be signing their own death warrant if they do. The ordinary people in the DPRK do not have the slightest idea about life in the South and since birth have been fed slogans about their fellow countrymen who are groaning under the imperialists' heel and must be liberated. Korea, they are told, will be united, but it will take the southerners time to absorb the ideas of the chuche teaching.

In the South the man in the street knows little about the northerners as well. Recalling the traditional friendship between Moscow and Pyongyang, it is almost obligatory to ask Russians in Seoul "is it true that life is bad in the north?" You can see the genuine curiosity in your interlocutors' eyes. Many see the northerners as the enemies they fought against 40 years ago and they confuse the ordinary people with the hierarchy in Pyongyang. The sense of enmity fades with age, giving way to sympathy among those who were born after the war. [passage omitted]

Yeltsin Envoy Hold Talks With 'Arafat 10 Jul

LD1207171994 Moscow ITAR-TASS World Service in Russian 1158 GMT 12 Jul 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 12 Jul—Viktor Posuvalyuk, special representative of the Russian president on a Middle East settlement, is in Tunis, where he is taking part in the work of the group assisting the multilateral talks on the Middle East. The Russian Foreign Ministry's official spokesman announced today that he had a meeting there on Sunday with Yasir 'Arafat, chairman of the PLO Executive Committee.

During the conversation Viktor Posuvalyuk expressed satisfaction at the progress of the implementation of the agreements between the PLO and Israel on Gaza and Jericho and Russia's support for the emergence of the structures of Palestinian autonomy. Moscow's intention as co-sponsor of the peace process to do everything to promote the speediest resolution of the Palestinian problem in the framework of the establishment of an all-embracing peace in the Middle East was reiterated.

For his part, Yasir 'Arafat highly appraised the role of Russia in ensuring progress in the Arab-Israeli talks and spoke in favor of further efforts by Russian diplomacy to give an impetus to the Middle East peace process.

Status of Russian, U.S. Military Ties With PRC Viewed

MM1307084794 Moscow IZVESTIYA in Russian 13 Jul 94 p 3

[Report by Vladimir Skosyrev: "Chinese Cure for Loneliness"]

[Text] Beijing—The Pentagon is expanding its ties with China. This fall U.S. Defense Secretary William Perry is to visit Beijing. The deputy chief of the Chinese People's Liberation Army General Staff has received an invitation to visit the United States at the same time.

Thus, the hiatus in contacts between the top military officials of the two powers—an interlude that began in 1989, when Washington decided to ostracize the Chinese Army for its role in crushing the student demonstrations in Tiananmen Square—has come to an end. Foreign observers in Beijing believe that the easing of the U.S.

position is due to a considerable extent to its desire to limit Russian penetration of the Chinese arms market.

The sphere of military-technical cooperation between Russia and China is veiled in secrecy. Apart from two-year-old reports of the supply of Su-27 fighters to China, Moscow and Beijing refuse to reveal any figures on military deals. Almost nothing has been reported about the talks held in Moscow by PRC Defense Minister Chi Haotian. The typical desire of Moscow and Beijing to keep their military secrets provides fertile soil for sometimes fantastic speculation and supposition in the Western press. This, naturally, is exploited by the military-industrial lobby overseas to demand that the Clinton administration not sit idly by but help U.S. corporations get their share of Chinese military orders.

The Beijing press has written virtually nothing about the "thaw" in relations with the Pentagon. On the other hand, it has reported Russo-Chinese contacts as major events, without going into the specific details of the arms trade. PRC President Jiang Zemin made a high assessment of the results of the Beijing talks between Vice Premier Aleksandr Shokhin and General Liu Huaqing, vice chairman of the PRC Central Military Council.

In the opinion of Western diplomats, by publicizing its growing defense ties with its northern neighbor, Beijing is prompting Washington to accelerate the pace of U.S.-Chinese rapprochement. This is particularly important for China in the light of the recent partnership agreements between NATO and Russia, which have seemingly left China on its own. It is the only great power which is not participating in the international security agreements concluded since the end of the cold war.

Yeltsin, New Belarus President To Meet

LD1307082494 Moscow ITAR-TASS in English 0759 GMT 13 Jul 94

[Text] Moscow July 13 TASS—Russian leader Boris Yeltsin and the recently-elected first president of Byelorussia [Belarus], Alyaksandr Lukashenka, agreed to hold a summit meeting in August, the press service of the Russian leader reported adding that the agreement was reached in a telephone conversation between the two leaders on Wednesday.

"The Russian president accepted a request of Alyaksandr Lukashenka to hold a meeting which is to take place in the first ten days of August", it said.

Both presidents "confirmed mutual will to strengthen cooperation" and Lukashenka assured Yeltsin of "his deep understanding of the necessity to maintain the closest relations" with Russia.

Lukashenka also expressed hope "for Russian understanding and help in the economic sphere", the press service said adding that the conversation took place on the "initiative of the Byelorussian side".

Yeltsin Congratulates Lukashenka

LD1207164094 Moscow Radio Rossii Network in Russian 1600 GMT 12 Jul 94

[Text] Russian President Boris Yeltsin has sent a telegram of congratulations to Alyaksandr Lukashenka who has been elected president of Belarus and wished him success. The congratulations expresses confidence that relations between Russia and Belarus will develop and strengthen in the interests of the two fraternal peoples. The telegram stresses that only by acting together will it be possible to cope with the tasks of moving forward the economic and political reforms and carrying out deep democratic transformations.

Russia 'Repects' Belarus' Political Choice

LD1207143794 Moscow ITAR-TASS in English 1422 GMT 12 Jul 94

[Text] Moscow July 12 (ITAR-TASS)—Russia will continue to strengthen equal ties with independent Byelorussia [Belarus] in the spirit of the existing historical unity and mutual understanding, a Russian Foreign Ministry official told ITAR-TASS on Tuesday.

Referring to the results of the last week-end presidential elections in the republic, the diplomat noted that Russia respects the political choice made by Byelorussia. The overwhelming majority of the Byelorussian people have spoken in favour of closer ties with Russia and other CIS member-states. All this creates favourable preconditions for future fruitful and mutually advantageous cooperation between the two countries, the official said.

Shumeyko Sees Lukashenka as 'Contradictory'

LD1207133994 Moscow Russian Television Network in Russian 1200 GMT 12 Jul 94

[From the "Vesti" newscast]

[Text] Vladimir Shumeyko, head of the Federation Council, commenting today on the results of the elections in Belarus, said that Lukashenka's position is very contradictory. First he was pro- Russian. Later however he said that Belarus is to follow a completely different path.

As to Kuchma's victory in the Ukraine, Shumeyko believes that his economic policy and his approach to the CIS are more flexible than those of Leonid Kravchuk.

Yeltsin Cables Ukrainian, Belarusian Presidents

LD1207181694 Moscow ITAR-TASS in English 1752 GMT 12 Jul 94

[By ITAR-TASS]

[Text] Moscow July 12 TASS—Russian President Boris Yeltsin has sent telegrams of congratulations addressed to President-Elects of Byelorussia [Belarus] and Ukraine,

Alyaksandr Lukashenka and Leonid Kuchma, the presidential press service reported.

The telegram addressed to Lukashenka reads as follows:

"Esteemed Alyaksandr Grigoryevich,

I offer my sincere congratulations on your election the first ever president of the Republic of Byelorussia.

I express full confidence that in this high post you will do your best so that Russo-Belarussian relations develop and strengthen in the interests of the fraternal Russian and Byelorussian people.

Our countries and peoples are united and related by roots going back deep into the centuries, the closeness of cultural and spiritual traditions and heroic pages of common history. I am confident that only together we shall be able to cope with the present task of advancing economic and political reforms and carrying out deep democratic transformations.

I wish you Mr. President, success in your activities as the head of the Byelorussian state.

Yours sincerely,
Boris Yeltsin."

The other telegram, addressed to Leonid Kuchma, says:

"Dear Leonid Danilovich,

I sincerely congratulate you upon being elected to the high post of the Ukrainian president.

I reiterate Russia's intention to persistently pursue a policy aimed at further development of equal and mutually advantageous relations of genuine partnership with Ukraine. We hope for a similar attitude from the Ukrainian side.

The Russian leadership is firmly convinced that comprehensive and active cooperation between Russia and Ukraine closely connected by age-old ties of friendship, common history, ethnic and cultural closeness would promote the economic progress and ensure security of our states and would fully meet the interests of the world community. I am confident that we shall constructively and fruitfully work together and strengthen friendship between the fraternal Russian and Ukrainian peoples.

I wish you, esteemed Leonid Danilovich, much success in your activities as the head of the Ukrainian state.

Yours sincerely,
Boris Yeltsin."

Shokhing Says Relations With Ukraine 'Encouraging'

LD1207152594 Moscow ITAR-TASS World Service in Russian 1415 GMT 12 Jul 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 12 Jul—Relations with Ukraine are one of the main priorities of Russia's foreign policy. This was the theme of the speech by Russian Deputy Prime Minister Aleksandr Shokhin at the first session of the interdepartmental commission for questions of relations with Ukraine held today at the Russian Foreign Ministry. It is not just that there are very close ties between us, as well as packages of problems which we have been struggling over for months, the vice premier said. The main thing is that our future relations look extremely encouraging. This is because of our common interests and also because we come up against similar economic problems and difficulties.

Incidentally, it is not for nothing that in the "Big Seven's" decisions the questions of support for Russia and Ukraine were treated separately, A. Shokhin continued. The support for Russian reforms is seen in the decisions of the Naples meeting of the Seven as a problem of creating the universal mechanisms of interaction in finance and trade. As regards Ukraine, so far in relations one can observe an approach characteristic of former conferences of the Seven, i.e. a readiness to give help in exchange for carrying out all-embracing economic reforms. In some sense this means that Russia could now serve as an example in the implementation of reforms for other countries with a transitional economy.

Spokesman on Hopes for Improved Ukraine Ties

LD1207121894 Moscow ITAR-TASS World Service in Russian 1138 GMT 12 Jul 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 12 Jul—People in Russia respect the choice of the people of Ukraine, and hope that in the very near future the two sides will be able to provide a fresh, positive boost to their bilateral relations. This was said today by Mikhail Demurin, an official spokesman for Russia's Foreign Ministry, commenting at the request of an ITAR-TASS correspondent on the election of Leonid Kuchma as president of Ukraine.

Our states, two fraternal Slav peoples being tightly bound together by ties of friendship over the centuries, by a common path through history, by ethnic and cultural closeness, the diplomat noted, are "fated" to have comprehensive and active cooperation. "We hope that through joint efforts, backed up by accords reached earlier, we will be able in the immediate future to give a fresh, positive boost to Russian-Ukrainian relations and to establish close ties in all areas," Mikhail Demurin said.

Yeltsin Aide Views Ties With Ukraine, Belarus

LD1207140294 Moscow INTERFAX in English 1247 GMT 12 Jul 94

[Text] One of Russian President Boris Yeltsin's aides said Leonid Kuchma's victory at Ukraine's presidential election "will have a favorable effect on Russian-Ukrainian relations."

Mark Urnov, in an interview with INTERFAX on Tuesday, expressed the view that Kuchma's presidency would help "remove many of the headaches" in the two countries' relations, including the situation in Ukraine's autonomous peninsula of Crimea and the Black Sea Fleet issue.

"I doubt that Kuchma's actions will bear out his image of a totally pro-Russian politician, but in any case Russia has acquired a constructive partner," Urnov said.

But he said it was more difficult to predict the future policies of Belarussian [Belarusian] President-Elect Alyaksandr Lukashenka, "a new extra-establishment person free from the burden of old commitments."

Yet his election "offers an opportunity of extensive negotiations and of learning more about each other," Urnov said. Such a dialogue could produce a new form of integration between Russia and Belarus, he said. "The form proposed by Kebich was absolutely ineffective and unacceptable to Russia, because the whole integration would then boil down to the uncontrolled printing of rubles on Belarussian territory," Urnov said, expressing the hope that Lukashenka's policy would bring a solution meeting both nations' interests.

Duma Official Views Ukraine, Belarus Elections

LD1207154294 Moscow ITAR-TASS in English 1444 GMT 12 Jul 94

[By ITAR-TASS parliamentary correspondent Ivan Novikov]

[Text] Moscow July 12 TASS—"Election returns in Ukraine proved patently that in that state just as in other former union republics, it is now time to pass on from words to deeds", Valentin Kovalev, deputy speaker of the State Duma, said in an exclusive interview to ITAR-TASS. He said Leonid Kuchma earned a reputation as an efficient production manager. He said he believes that in electing him president people banked on specific results, on a turn to practical economic policy which, in the long run, should lead to positive results.

"I believe the choice of the Ukrainian people was based on economic, even practical, rather than political reasons. The Ukrainian people got sick and tired of the constant erosion of the living standards, inefficient decisions and weakness of state power. I believe the Ukrainian people link with Kuchma the hope for the improvement of their economic position", Kovalev said.

Kovalev said the economic programme that Kuchma offered to the Ukrainian people is much stronger than the largely declarative ideas of his opponents.

As regards prospects for relations with Russia, Kovalev said that Kuchma is known to be a statesman with constructive political views. "He has nothing to do with rabid nationalism and favours integration in the economic and, in a sense, in political areas". Kovalev believes there are no difficulties, let alone insurmountable obstacles, to the establishment of a constructive dialogue with Russia after Kuchma's election as president.

"I believe the entire range of problems will develop constructively. Separate problems, for instance, the problems of the Crimea and the Black Sea Fleet, will be resolved successfully. New prospects will open in these matters with the election of the new Ukrainian president", Kovalev said.

Kovalev was less categorical regarding the election returns in Byelorussia [Belarus]. "We respect the choice of the Byelorussian people, the more so since Alyaksandr Lukashenka was elected president by the overwhelming majority of votes".

Lukashenka as a politician is not much known in Russia, Kovalev said. It stands to reason that the activity of every politician is judged by its results. In this case there is nothing to judge by aside from the election program Lukashenka presented.

It should be noted that Lukashenka's election programme mostly has a critical character, Kovalev noted. "I believe his victory is largely connected with the Byelorussian people's negation of the situation in which that country landed", Kovalev said.

"The positive programme of overcoming the crisis is a matter of time. As a comprehensive programme does not yet exist, it is difficult to speak of prospects."

As regards relations between Russia and Byelorussia, a number of statements by Alyaksandr Lukashenka indicate that he is interested in the establishment of normal relations with Russia and in the deepening of integration processes. If the new Byelorussian president is guided by this asprect of his election statements and does not give in to some nationalistic tendencies that are associated with Lukashenka's name, the prospects of relation between the two states can be assessed as highly positive and construvctive", Kovalev said.

Kozyrev Favors Scaling Down Relations With Algeria

LD1207123694 Moscow Radio Rossii Network in Russian 1100 GMT 12 Jul 94

[Text] Russian Foreign Minister Andrey Kozyrev believes that the volume of cooperation with Algeria must be cut back. Talking at a conference of Russian diplomats in Moscow today, he said that this is the result of continuous terrorist acts against Russian citizens in Algeria.

It has been reported already that on Monday four experts from Russia, Belarus, and Ukraine were killed by extremist groups in Algeria. Two Yugoslavs and a Romanian citizen were also victims of terrorism.

Kuwaiti Deputy Foreign Minister Holds Talks

LD1207132194 Moscow ITAR-TASS in English 1242 GMT 12 Jul 94

[By ITAR-TASS diplomatic correspondent Yuriy Tyssovskiy]

[Text] Moscow July 12 TASS—"I got an impression in the course of negotiations in the Ministry of Foreign Affairs of the Russian Federation that Russia as a great power has a sense of responsibility for the role it plays in the modern world," Deputy Foreign Minister of Kuwait Sulayman Majid al-Shahin told a press conference in Moscow today.

He told journalists about his talks with the Deputy Minister of Foreign Affairs of the Russian Federation Boris Kolokolov and the Chairman of the State Duma Committee on International Affairs, Vladimir Lukin.

The Kuwaiti envoy brought to Moscow two messages, addressed to the Minister of Foreign Affairs of the Russian Federation, Andrey Kozyrev, from the First Deputy Prime Minister and Minister of Foreign Affairs of Kuwait Sabah al-Ahmad Jabir al-Sabah. One of the messages concerned the forthcoming consideration by the United Nations Security Council of the efficacy of the sanctions imposed by the world community on Iraq after its aggression against Kuwait. The second message contained information about the recent conference in Kuwait of the ministers of foreign affairs of the countries which signed the Damascus Declaration after the crisis in the Persian Gulf zone. The declaration was signed by eight countries: six countries from the arab Peninsula, Egypt and Syria.

During the talks, aspects of bilateral relations between Russia and Kuwait were examined, and the sides agreed that they were developing in the right direction.

The ranking Kuwaiti diplomat explained that the Ministry of Foreign Affairs of his country had come up with the initiative of explaining to the leaders of friendly countries baghdad's attempts to by-pass the sanctions imposed on it and selectively follow only some of them in order to produce on the world community an impression of "good behaviour" and secure the lifting of the sanctions. At the same time, Iraq continues to reject kuwait's sovereignty and consider it to be an Iraqi province. It does not recognise the demarcation of the Iraq-Kuwait border drawn by representatives of the United Nations recently, continues to retain the prisoners of war and refuses to return fully the valuables seized during the occupation.

Sulayman al-Shahin stressed that the countries which signed the Damascus Declaration view Syria's policy in the Middle East peace talks as being in line with the obligations which Damascus had assumed within the frame of the Madrid conference on the Middle East, while israel was procrastinating and delaying the withdrawal from the Syrian Golan Heights and the occupied part of the Lebanese territory. "We conveyed our viewpoint to the Russian leaders as representatives of a great power which maintains links both to Syria and Israel," he explained. "Moscow intends to assist in giving a new impulse to the peace talks".

Responding to an iTAR-TASS question about the recent visit to Moscow of Deputy Prime Minister of Iraq Tariq 'Aziz and his talks with Andrey Kozyrev, the Kuwaiti diplomat noted that Russia as a permanent member of the U.N. Security Council had actively promoted the adoption of U.N. resolutions concerning Iraq and believes that they should be implemented in keeping with the spirit and letter of the text. Moscow, when it decided to join the majority of the U.N. member-countries, was not swayed by an estimated loss of so many million dollars. It proceeded solely from considerations of maintaining stability and security in the region, he said. The Iraqi deputy minister appealed to the journalists to cover an important humanitarian problem relating to Iraq's refusal to return Kuwaiti prisoners of war and even to permit access to them through the International Red Cross Committee. The problem concerns 625 families of our compatriots, the Kuwaiti deputy foreign minister stressed.

Official on Direct Arms Sales to Kuwait

LD1307103994 Moscow ITAR-TASS in English 1010 GMT 13 Jul 94

[By ITAR-TASS diplomatic correspondent Yuriy Tyssovskiy]

[Text] Moscow July 13 TASS—"A delegation from the state (arms trading) company Rosvooruzheniye is now in Kuwait for negotiations with Kuwaiti authorities on the sale of modern Russian armoured machinery," deputy chief of the company's foreign trade department Sergey Belousov told ITAR-TASS today.

He commented on foreign media reports about a deal worth an estimated 800 million dollars which Russia and Kuwait are getting ready to seal.

A member of the Kuwaiti parliament informed his colleagues on Tuesday that certain foreign intermediaries were allegedly involved in pushing the deal through in hopes of getting 15 percent of the total value as commission. The Kuwaiti MP expressed fears that the Russian armour was outdated and came from the arsenals of the Warsaw Treaty organisation which no longer existed.

Defence Minister of Kuwait Ahmad al-Hamud al-Jabir al-Sabah refuted the allegations on the same day and announced that the negotiations with Russia had reached an advanced phase, but there were no third party intermediaries involved. The minister pointed out that he had no intention to discuss the essence and character of the future contract before the signing.

Sergey Belousov, for his part, said the negotiations had reached an "interim phase" and added that a group of experts was now in the friendly Arab country to discuss specific details relating to the use of armoured vehicles in desert conditions, their performance characteristics, maintenance and support, as well as the problem of spare parts. He denied the existence of any intermediaries and rejected allegations about the proposed sale of obsolete machinery.

"We are dealing with a respected client who is perfectly aware that the greedy pay twice," the Russian official said. "If the contract is sealed, I assure you that the vehicles will be sent to Kuwait directly from the assembly line," Belousov said.

He added that the attention of Kuwaiti officials was first drawn to Russian armoured machinery at a fair in the Gulf area. He declined to disclose any data about the number and class of the armoured vehicles and financial details of the deal, citing the non- disclosure agreement with Kuwait.

Yeltsin Cancels Restrictions on RSA Cooperation

LD1207191294 Moscow INTERFAX in English 1759 GMT 12 Jul 94

[Text] Russian President Boris Yeltsin lifted all restrictions on cooperation with South Africa.

The president's press service transferred to Interfax a statement saying that this decision had appeared as a result of the resolution adopted by the UN Security Council on May 25 cancelling all restrictive measures imposed on South Africa.

The Yeltsin statement instructed all state establishments, enterprises, organizations, banks and individuals under Russia's jurisdiction to take into account that the restrictions against cooperation with South Africa has been raised.

Chernomyrdin on Russian Policy in Africa

LD1207154094 Moscow INTERFAX in English 1434 GMT 12 Jul 94

[From the "Diplomatic Panorama" feature: Reports by Diplomatic Correspondents Igor Porshnev, Vitaliy Trubetskoy, and others]

[Text] Russian Prime Minister Viktor Chernomyrdin paid much attention to the debt of African countries to the former USSR. "Our debtors are trying to divide economic and special credits and resolve the problem of debts on each matter separately or make mutual settlements," Chernomyrdin said. But in his opinion Russia cannot agree to such a solution.

He favored a comprehensive approach to the debts that would link them with trade, economic, military and other spheres of cooperation.

The prime-minister said that most of the African debtor countries are incapable of paying back their debts in full and only in hard currency. "We can apply different ways of repayment, such as partial payment in hard and local currency, maintenance of Russian companies, supplies of goods, reinvestment and so on. From the viewpoint of Russia's long-term interests one of the most promising forms would be the capitalization of debts directly in debtor countries, i.e. their transformation into direct Russian investments", Chernomyrdin said.

He spoke against selling debts. "The effect is quick and money real, but short-term advantages here might mean considerable losses for Russia. We have negative experience and will sell debts only if other possibilities of returning them are fully exhausted. In this case the quotations of the world market in hard currency should be applied," Chernomyrdin said.

Speaking of the closure of Russian diplomatic missions in Africa the prime-minister said: "The closure of nine embassies and four consulates to the south of Sahara is the limit after which the money saved is going to be incomparable with long-term political and economic losses."

In Chernomyrdin's opinion considering the reduction of staffs at Russian embassies in Africa there is every reason to think of raising the salaries of remaining workers to the level set for Russian missions in Europe.

Chernomyrdin also spoke for making such meetings with Russian ambassadors regular.

Geneva Compromise 'Reasonable Basis' for Bosnia Settlement

PM1207105194 Moscow ROSSIYSKIYE VESTI in Russian 12 Jul 94 p 3

[Unattributed report under the rubric "In the Russian Federation Foreign Ministry": "Minister's Letter Discussed"]

[Text] A letter from Russian Foreign Minister Andrey Kozyrev, sent a few days ago to the acting chairman of the CSCE, Italian Foreign Minister Antonio Martino, and containing proposals on improving the activity of the CSCE, is being discussed extensively in CSCE diplomatic circles.

The subject concerned is extending the possibilities of the CSCE and turning it into a valuable international organization with its own rules and an effective mechanism for adopting decisions.

Essentially, this is a comprehensive program, which embraces all spheres of European integration: averting and settling conflicts, the protection of human rights and the rights of ethic minorities, cooperation in operations to keep the peace, and military-political and economic interaction.

The main result of the meeting of foreign ministers of Russia, the United States, and five European Union countries held in Geneva on the Bosnian problem is that for the first time in the history of contemporary international relations, the conflicting sides have been offered a specific alternative aimed at raising their interest in a speedy settlement. Grigoriy Karasin, director of the Russian Federation Foreign Ministry information and press department, stated this at a briefing for Russian and foreign journalists.

The compromise option approved by the participants in the meeting is neither truncated nor humiliating to any of the sides. In the proposed plan a balance of strategic interests is observed in respect of territorial demarcation, which makes it possible to view it as a reasonable basis for the speediest political settlement of the situation in the former Yugoslavia.

The next foreign ministers' meeting for discussing the situation in the region is scheduled for the end of July.

Yeltsin Spokesman on Estonian Withdrawal

WS1207141594 Tallinn BNS in English 1208 GMT 12 Jul 94

[Text] Moscow, July 12, BNS—Relations between Russia and the Baltic countries of Estonia, Latvia and Lithuania depend on the situation with the rights of the Russian-speakers in those countries, says Vyacheslav Kostikov, chief spokesman for Russian President Boris Yeltsin. "Cooperation between Russia and the Baltics depends on how the political, economic and social rights of ethnic Russians living in the region are secured," Kostikov said in an article released on Tuesday through BNS.

The Russian presidential spokesman said Moscow was demanding only "very little" from the Baltics—"that people of all nationalities living in the countries get jobs on their respective professions and a possibility to watch the Russian television; that Russian children could get tuition in their mother tongue" and, as he put it, "that emergency medical aid workers wouldn't refuse helping people who don't speak local languages." Kostikov expressed conviction that economic cooperation with Russia is greatly to the Baltics' advantage. He said working closely with the West had given the Baltics nothing special.

"Western Europe gladly collects compliments and kisses blown from Tallinn, Riga and Vilnius, but doesn't hurry and is unlikely to ever start to hurry to open its stores for Baltic imports," the presidential spokesman in Moscow said. "The Baltics' real market lies to the east of their borders." Russia is going to stick to its position of linking the issue of troop withdrawal from Estonia to the treatment and rights for its retired military in that country, Kostikov said. But he added that the two countries were already "very close" to determining the final deadline for the troop withdrawal and that at the moment everything depended "on the wish of the Estonian side to resolve in a human way the issues related to the life of military retirees."

Kostikov Deems Estonian Border Decree 'Absurd'

WS1207144494 Tallinn BNS in English 1208 GMT 12 Jul 94

[Text] Moscow, Jul 12, BNS— The Petseri district and territories beyond Narva are traditional Russian domain, Vyatcheslav Kostikov, chief spokesman for President Yeltsin, declared.

According to Kostikov, Russia categorically dismisses all Estonia's territorial claims as "historically unfounded and politically naive."

"The 1920 Tartu peace treaty was only a temporary lapse and has lost validity long since," said Kostikov, referring to the document signed by Estonia and Communist Russia, which defined the mentioned territories as belonging to Estonia.

Kostikov sharply criticized the Estonian state border law passed in June and asserted that it had directly prompted the decision by Boris Yeltsin to start marking the Estonian-Russian border unilaterally. Kostikov called the Estonian border law "historically absurd." Yeltsin's decree will perhaps help to cool the "overheated brains" of Estonian politicians, Kostikov hopes.

Moscow, Riga Views on Clinton Latvia Visit

PM1207144394 Moscow ROSSIYSKIYE VESTI in Russian 12 Jul 94 p 3

[Feature comprising "View From Riga" article by Sergey Balyutskiy: "Visit Doomed To Succeed. William Jefferson Clinton's Visit to Riga Lasted Only a Few Hours. Why, of the Baltic Countries, Did the U.S. President Choose Latvia?"; and "View From Moscow" article by Anna Kozyreva: "Divorce by September? Bill Clinton's One-Day Visit to Riga Is Over. Were the Hopes Pinned on it by Both the Baltic Countries' Leaders and Russia Borne Out?"]

[Text] [Balyutskiy] Some observers believe it was a reward for Latvia for the accord on the radar devices in Skrunda. But John Stepanchuk, the U.S. charge d'affaires in Lithuania, gave assurances that it had been a purely technical decision: Riga airport was the most suitable for the President's aircraft to land at.

Despites its brevity, the visit was not easy, primarily for Clinton himself. Indeed, for example, how can you not take Estonia's side as well if you do not support Russia's decision to unilaterally demarcate the border? And how can one explain a visit at the very moment when even representatives of the Council of Europe and CSCE, normally very well disposed toward the young Baltic states, have expressed bewilderment over the citizenship law adopted by the Latvian Saeima?

In his replies to journalists' questions the president touched on these topics. But in such a way that everyone seemed to be satisfied. "Estonia's, Lithuania's, and Latvia's integration in the Western economic system is a U.S. policy priority," he said at a briefing, to the great pleasure of L. Meri, G. Ulmanis, and A. Brazauskas, who were present. They were bound to be cheered also by Clinton's announcement of the establishment of a special investment fund, whose purpose is to aid the development of the Baltic republics' economies. There was somewhat less enthusiasm, apparently, about the amount allocated to the fund by the U.S. administration—only $50 million. Indeed, President Barkauskas, in an interview on the eve of the meeting, said that he alone intends to ask for some $200 million more!

But Clinton's position probably did not satisfy each republic individually either: In the case of Estonia—unconditional support for the demand to withdraw Russian forces from this republic before 31 August. In the case of Latvia—similar support, backed up by a promise to allocate not $2 million, but $4 million to dismantle the radar station in Skrunda.

But President Clinton's words to the effect that the East European states should not exaggerate the threat from Russia will not have gone down well with them.

Incidentally, Russia was as it were an indirect fifth participant in the meeting, since relations with it were a feature of all the questions under discussion in Riga. And Russia can be satisfied too. On several occasions Clinton touched on the problem of the rights of ethnic minorities living in the Baltic countries. During conversations with Guntis Ulmanis, at the briefing, and in his speech at the Freedom monument.

Nonetheless, while he expressed support both for the Baltic republics and for Russia during his Riga meetings, Bill Clinton clearly did not unconditionally accept the position of any of the sides. I think they were right, those observers who were saying before the U.S. President actually came to Riga that the main purpose of his trip, as can be expected of a practical person of that status, was personal profit—in the good sense of the word. After all, B. Clinton's popularity has been declining of late in America itself.

"I am the first U.S. President to stand on free Baltic soil. Today we remember August 1989, when millions of people from Tallinn to Vilnius held hands and formed a continuous chain. On behalf of the citizens of America I am proud to be able also to join your chain!"—these words, coupled with statements about the need for the speediest withdrawal of Russian forces and America's participation in strengthening democracy in the Baltic countries score heavily with the U.S. voter. It would have been inexcusable to have missed the chance to demonstrate the U.S. contribution to events that have already occurred in the Baltic and to those that are to come.

The only interests the U.S. President unconditionally upheld during his visit were the interests of the United States as a whole and of his administration in particular. Which was to be expected anyway.

And what about the Baltic politicians? One Lithuanian television commentator gave a preliminary summing up of the visit"

"It will take the leaders of Estonia, Latvia, and Lithuania a long time yet to work out what we actually got from the visit."

[Kozyreva] Paul Goble, former head of the Baltic department of the U.S. State Department and a Carnegie International Peace Foundation staffer, believes that with the withdrawal of Russian forces the Baltic countries will become less important to the United States, since "they are merely three small countries somewhere at the other end of the world." According to Goble, the significance of the three Baltic countries for America arose out of the tension between Washington and Moscow.

In a press statement Bill Clinton himself said: "I believe that the United States must participate in shaping relations between the Baltic countries and Western Europe." The first reaction in Russia was pretty calm.

Moscow pointed out that the safeguarding of the civil rights of the nonindigenous population was repeatedly mentioned during the meetings and talks.

As is known, on the very eve of the visit to the Baltic, there was a telephone conversation between U.S. President B. Clinton and B. Yeltsin, during which the Russian president expressed Moscow's concern over obvious violations of the rights of the Russian-speaking population in Latvia and Estonia.

At the end of the meeting with the heads of the Baltic countries, B. Clinton, like a true diplomat, stated that, on the one hand, in his view, the problem of observance of the rights of the Russian-speaking population is not connected with the withdrawal of Russian forces from these countries and, on the other hand, he stressed the need for "fair treatment" of the nonindigenous population and the need to grant them the opportunity to participate in running the state. The heads of the Baltic countries promised him that the "question of ethnic minorities would be resolved positively."

Although Boris Tsilevich, leader of the League of Stateless Persons, which wants all inhabitants of Latvia to be granted citizenship, did not succeed in telling the U.S. President about the problems of ethnic minoirites in the republic...

The U.S. President noted that his country wanted to create a new atmosphere in the region and announced that the number of certificates for Russian servicemen leaving Latvia and Estonia will be increased. As is known, a certificate of $25,000 entitles you to to obtain housing in Russia in the construction of which U.S.

capital is involved. Clinton also promised financial support for the UN Baltic peacemaking battalion. So a number of Russian military experts believes that the Baltic area is gradually becoming part of the U.S. range of interests, while constraints are placed on Russia in matters of the protection and the security of its borders.

One senior military official lamented: "Russia is leaving and the United States is taking its place."

It was no accident that Marshal Yevgeniy Shaposhnikov stated in an interview for the newspaper LE FIGARO: "Communist ideology has been eliminated, the Warsaw Pact no longer exists, the Soviet Union has disintegrated, and **our forces are being withdrawn from Eastern Europe and the Baltic countries**. What do we see on the other side? The NATO bloc continues to exists and has far from disappeared. In fact, it is growing stronger and it is expanding, aspiring to the role of the United Nations' 'armed wing,' the role of world gendarme. This gives food for thought."

As for economic questions, one of the main themes of the visit was the development of the energy industry. The heads of the Baltic states believe that if they want to finally and irrevocably achieve independence as soon as popssible, they need to be economically independent of the East. Gas, oil, and fuel were discussed... Social problems and matters of education, in particular the possibility of studying in other states, were also touched on.

It should be said that a number of Western political scientists see the visit as a kind of conclusion of World War II for the Baltic countries. But will the situation in the region really be more tranquil?

Russia Proposes Reforms Within CSCE

LD1207144594 Moscow Radio Moscow World Service in English 1110 GMT 12 Jul 94

[Text] Russia has made some proposals on reforms within the framework of the Council on Security and Cooperation in Europe, the CSCE. What is the essence of these suggestions contained in a letter sent by the Russian Foreign Ministry to the chairman of the CSCE? This question was answered in a telephone interview for Radio Moscow by Igor Blatev, deputy director of the department for all- European cooperation in the Russian Foreign Ministry.

Igor Blatev says that in the letter sent by Russian Foreign Minister Andrey Kozyrev to the chairman of the CSCE, a number of measures aimed at increasing the effectiveness of the all-European council were suggested. The crux of the idea is to exchange views and opinions on how to increase the effectiveness of the CSCE in its contributions toward strengthening European stability and enhancing its role in the Euro-Atlantic region. Such exchanges are expected to take place before the next meeting of member nations of the CSCE planned to take place in the capital of Hungary, Budapest, at the beginning of December this year.

What exactly are Andrey Kozyrev's proposals as contained in his letter to the chairman of the CSCE?

Russian diplomat Igor Blatev said: The point is that the priority responsibility of the CSCE for the maintenance of peace and for strengthening of democracy and stability on the European continent should be depicted in the Budapest summit declaration.

Another point is to transform the CSCE into a fully fledged international organization because for now the European conference is not an organization but merely a process. With such a transformation the role of the CSCE as the leading partner to the UN in the settlement of conflicts in the European region may be upgraded.

Further, Igor Blatev observed that it was necessary to establish an executive committee for the CSCE which could carry on working on a permanent basis. Decisions by the committee could be reached unanimously and have the same obligatory force as decisions by all the other higher bodies of the CSCE.

Significant attention has been given to human rights issues and the issue of national minorities. In the Russian proposals, we're suggesting a charter on national minorities be formulated, not only by the CSCE but in cooperation with other European organizations engaged in dealing with this problem, such as the Council of Europe. A number of other measures have also been suggested, aimed at fighting aggressive nationalism, xenophobia and racism.

The deputy director of the department of European cooperation in the Russian Foreign Ministry, Igor Blatev), said in conclusion that those were a number of concrete proposals suggested by Russia for consideration at the CSCE. The most important thing, according to him, is that it's necessary now on the eve of the Budapest summit, which we attach great importance to, to begin an exchange of views and develop some ideas or come to a consensus of some kind, said Igor Blatev, deputy director of the Russian Foreign Ministry's department for European cooperation.

Iran's Reaction to G-7 Statement on Terrorism Discussed

NC1307064894 Moscow Radio Moscow in Persian 1600 GMT 12 Jul 94

[Sergey Viktorov commentary]

[Text] Many international problems were examined at the recently concluded G-7 summit, which was also attended by Russian President Boris Yeltsin. The participants in the Naples summit also issued a statement addressed to Iran, calling on Tehran to constructively participate in international efforts to safeguard peace and stability. The G-7 highlighted the need for Iran to

alter its stance on international terrorism. Observers believe that it is very likely that the United States and Britain took the initiative to issue the message to the Iranian leaders, which was read by Italian Prime Minister Silvio Berlusconi.

Relations between these two countries and Iran are extremely tense; indeed it is 15 years since official relations existed between the United States and Iran. Overt and lasting enmity has replaced these relations and the two countries seize every pretext to inflict a propaganda blow on each other.

But tension between Britain and Iran started only during the current year. In spring, London accused Iranian officials of having links with the IRA. So it is not improbable that this is why special attention was paid to terrorism in the statement addressed to Iran issued by the G-7 in Naples.

Tehran reacted to the G-7 statement very rapidly and a statement by Foreign Ministry spokesman Mahmud Mohammadi said that Iran has always supported peace and stability in the region and further afield. It highlighted Tehran's stance on ending the bloodshed in Karabakh, Afghanistan, and Tajikistan as a good example of this.

As for terrorism, according to the Iranian, Iran itself has always been a victim of terrorism. In relation with this, Mohammadi referred to the explosion in Mashhad and the assassination of two Christian pastors and accused the Mojahedin-e Khalq Organization [MKO] of these operations. The Tehran spokesman criticized the G-7 countries and referred to the support by some of these countries for the MKO terrorists.

The facts show that Tehran's reaction to the world leaders' summit in Naples was extremely calm, even indifferent to an extent, something that gives rise to the feeling that Tehran is continuing its policy of maintaining an equal distance from the world's major policy-making centers, a policy that was declared after the Islamic revolution. Majles Speaker 'Ali Akbar Nateq-Nuri indirectly reconfirmed this and in his speech near Hamadan he said that Iran is the only country that truly does not depend on foreign powers.

Correspondents Sum Up G-7 Results

PM1207133394 Moscow KOMSOMOLSKAYA PRAVDA in Russian 12 Jul 94

[Report by special correspondents Aleksandr Golovanov and Leonid Timofeyev in "Business Tuesday" section p 1: "Boris Yeltsin Feels More Confident at Big Gatherings"]

[Text] Naples—The present summit of the heads of the seven leading world powers—the 20th—is notable not only for the round figure but also for the fact that for the first time we were invited to this elite club not simply for a "cup of coffee" but as an equal interlocutor in the political debate.

It took place on Sunday and for the two preceding days the G-7 leaders without Boris Nikolayevich had tried to find a diagnosis for the ailing Western economy. It is true that many of the problems under discussion affect us. In particular the G-7 leaders are very worried by the laundering in Western banks of money earned by not entirely legal means, including by the "new Russians." The problem of the Chernobyl nuclear electric power station, whose operating units are preventing Europeans from sleeping in peace, also directly affects Russia. Initially the Western leaders were very close to releasing $1.5 billion to Kiev in exchange for firm guarantees to close the station and embark in earnest on economic transformations. But, after doing their sums and having a think, they cut the sum to $200 million which, in the opinion of most economists is "scarcely more than charity."

Nor can we forget the fact that Russia itself is not only a debtor but also a major creditor. We are owed $150 billion and, as Vice Premier Aleksandr Shokhin stated here, it would be not bad thing if Moscow were to be admitted to the Paris Club.

Nor did the summit escape surprises. On Friday the 72-year-old Japanese Prime Minister Murayama was suddenly taken ill and had to be hospitalized. French President Mitterrand was nearly half an hour late in arriving in Naples. As for Clinton, in contrast to his protocol-constrained counterparts, he behaved informally, just like an American tourist, viewing with delight the painted ceiling of the "Palazzo Reale."

But our president was perhaps the greatest surprise to the G-7. On the eve of the meeting Boris Nikolayevich sent all the leaders a letter suggesting they meet at least twice a year in order to respond more promptly to new challenges of our complex times.

No one said "no" but Sergio Vento, the diplomatic adviser to the Italian premier, put it more or less like this: Why not shift this work to the foreign ministers?

You may be sure that the G-7 will cooperate closely with Russia in the struggle against phenomena like international terrorism and organized crime and in the solution of nuclear safety problems.

In addition Boris Nikolayevich tried to dispel the West's doubts as to whether Russia is fit to perform peacekeeping functions within the framework of the CIS.

In general, in summing up the results of the Naples meeting, both our politicians and Western politicians agree that the process of Russia's entry into this elite club has begun to move forward. A "summit within a summit" was held toward the end here. In one and one half hours Yeltsin and Clinton managed to discuss about 30 topics. Clinton passed on to his Russian counterpart

the proposals from Estonian president Meri that Moscow withdraw its troops from Estonia by the end of August. But Boris Nikolayevich is not that naive—first let Tallin stop offending the Russian-speaking population including military pensioners, and then we shall see.

Despite the fact that for three years now the Russian president has not worn a "red jacket," he did not manage completely to eliminate discrimination against Russian goods. Persistent work with the West is still needed to achieve equal rights on the world market. So far Yeltsin has received an official invitation to Halifax (Canada) where the next summit will take place next year.

Russian Crew Abandons Ship Off Taiwan

LD1307060794 Moscow ITAR-TASS in English 0429 GMT 13 Jul 94

[By ITAR-TASS correspondent Larisa Beloyvan]

[Text] Vladivostok, July 13 (TASS)—The crew of the Russian freighter Konstantin Zankov has abandoned the vessel after it listed more than 18 degrees in the southern part of the Strait of Taiwan, and the displaced cargo in its holds increased the danger of the ship capsizing.

No one was injured as Chinese fishermen from the port of Shandou picked up the Russians.

The ship, assigned to the Kamchatka shipping line, is still afloat but its angle with the surface has already reached 35 degrees, according to the Far Eastern rescue centre.

Two Japanese Captains Released in Far East

LD1307054894 Moscow ITAR-TASS in English 0521 GMT 13 Jul 94

[By ITAR-TASS correspondent Evgeniy Belovitskiy]

[Text] Yuzhno-Sakhalinsk, July 13 (TASS)—The captains of two Japanese fishing boats detained in Russian Far Eastern waters on June 29 were released on Wednesday as investigators failed to provide enough evidence to prove that the captains had been illegally fishing near the island of Iturup.

Kurile coast guard authorities denied allegations that criminal charges against Kaboyashi Masato and Hamamatsu Asao from the settlement of Rausu on the island of Hokkaido were dropped to please the governor of Hokkaido who is currently paying a visit to Sakhalin. The captains were suspected of border violation and poaching.

The vessels "Hayato-Maru-51" and "Hiryu-Maru-8" and were handed over to representatives of the Japanese Maritime Security Agency near the disputed South Kurile Islands. Japanese authorities made no claims during the hand-over. Thus, the incident may be considered exhausted.

Japan Reports No Obstacles to Joint Naval Exercises

LD1307083994 Moscow ITAR-TASS in English 0805 GMT 13 Jul 94

[By ITAR-TASS correspondent Vyacheslav Bantin]

[Text] Tokyo July 13 TASS—The National Defence Department of Japan (NDJ) regards it possible to carry out joint naval exercises with Russia and other forms of military cooperation between the two countries, a Defence Department spokesman of the country told ITAR- TASS today.

The official expressed confidence that "holding joint Russo- Japanese naval exercises is a matter of not too distant future. There are no principle obstacles on this way, since the two countries have already concluded necessary agreements for such military cooperation, the Defence Department official said.

What the NDJ official representative said, is a kind of typical response to Russian Pacific Fleet Chief Vice-Admiral Oleg Faleyev's recent statement. In an interview with the Japanese TV, the newspaper "TOKYO SHINBUN" quoted today, the Russian admiral had noted that the Pacific Fleet "would like to hold talks with representatives of the Japanese military command about the possibility of holding joint naval exercises with the Japanese "Self-Defence Forces", and exchange of ship visits between the two countries."

Political Issues

Accord for Russia Party Urges No Confidence Motion

LD1207145294 Moscow INTERFAX in English 1338 GMT 12 Jul 94

[Text] The opposition movement Accord for Russia is asking all its supporters in the State Duma to raise the question of confidence in the government and its economic policies. The statement was made Tuesday at a news conference in Moscow by the movement leader, chairman of the Duma committee for economic policies, Sergey Glazyev.

Among the organizers of the movement, which started its activities in March 1994, are Duma deputies - Gennadiy Zyuganov (leader of the Russian Communist Party faction), Sergey Glazyev and Stanislav Govorukhin (faction of the Russian Democratic Party), Vassiliy Lipitsky (Russian Social-Democratic People's Party), as well as former Russian vice-president Aleksandr Rutskoy and Constitutional Court judge, Valeriy Zorkin.

Glazyev said he believed the government was not fulfilling the main provisions of the president's message to the Federal Assembly and the treaty on civic accord. For example, the government is not taking measures to stabilize the general volume of production, to conduct an active restructuring policy and preserve the scientific and industrial potential of the country.

Last week the Liberal Democrats in parliament attempted to raise the question of confidence in the government in the State Duma. At that time 174 deputies voted in favor of the proposal advanced by the Zhirinovskiy party while 226 votes are necessary for the decision to be adopted.

Election Rigging Claims 'Attempt To Destabilize'

LD1207184994 Moscow NTV in Russian 1500 GMT 12 Jul 94

[Text] [Announcer] Eight months after the Russian elections and the referendum on the Russian Constitution our Central Electoral Commission has found it necessary to deny rumors and expert assessments on the falsification of the voting results.

[Begin recording] [Election Commission Chairman Nikolay Ryabov] It's unprecedented. Six months have gone by since the elections, the Duma is already at work, the Federation Council as well, and the Constitution is in effect. Imagine for a minute that all that was cancelled, liquidated. What would you introduce, a state of emergency? A special regime? Or what? You would be in a condition of civil war. [end recording]

[Unidentified correspondent] Ryabov thinks this situation is possible if the results of voting on 12 December on the draft constitution of the Russian Federation and elections to the State Duma are recognized as invalid. At a Central Electoral Commission meeting today, Ryabov made an official statement, describing the conclusions by some Duma deputies that the results of Federation Council deputy elections had been falsified as a deliberate attempt to destabilize the sociopolitical situation in the country. It was not so long ago that the Supreme Court of the Russian Federation examined a complaint by the Central Committee of the Russian Communist Workers Party that the results of the referendum on the draft constitution were illegal, and decided their objections were groundless. Besides that, the chairman of the Central Electoral Commission also said that in January this year the Federation Council and the State Duma had accepted the powers of elected deputies. So casting doubt on the election results can only be seen as a means of political struggle.

Migration Patterns of Russians Analyzed

MK1307105094 Moscow NEZAVISIMAYA GAZETA in Russian 13 Jul 94 p 2

[NEGA report under the "Statistics" rubric: "Migration Status in Russia, CIS. 2-4 Million Russians Could Return to the Russian Federation by the Year 2001"]

[Text] Socioeconomic transformations in Russia and CIS countries have changed the scale and directions of migration flows, and have also given rise to new forms of migration, such as refugees, forced migration, the repatriation of deported peoples, the return of servicemen from East Europe and the Baltic states, and migration for environmental reasons.

Migration mobility of Russian citizens has subsided. The migration influx from the near abroad amounted to 356,000 in 1992. The flow of refugees has become steady and continuous in nature. The main regions of forced migration include Tajikistan, Azerbaijan, Georgia, and Moldova. The influx of Russians from Kazakhstan, Uzbekistan, and the Baltic states is also rising. According to forecasts, between 2 and 4 million Russians may be repatriated to the Russian Federation in the period up to the year 2001.

Germans, Jews, Meskhetian Turks, and Greeks continue to emigrate for ethnic reasons. From 1990, around 100,000 people have left the country annually. A major part of the emigrants head for Israel, Germany, and the United States. In social terms, white-collar workers clearly dominate among emigrants (they account for more than one-third). "Brain drain" from fundamental science and the defense sector is on the increase.

The level of emigration from Russia is significantly lower by comparison with the other republics of the former USSR. If the Russian Federation accounts for over one-half of the former USSR's population, its emigrants make up over one-fourth of the overall emigration figure.

Economic Issues

Chernomyrdin Concerned by Decreasing Trade Balance

LD1207153694 Moscow INTERFAX in English 1434 GMT 12 Jul 94

[From the "Diplomatic Panorama" feature: Reports by Diplomatic Correspondents Igor Porshnev, Vitaliy Trubetskoy, and others]

[Text] Russian Premier Viktor Chernomyrdin said the government was concerned over decreasing Russia's trade balance in trade with African countries. He said in 1992 the trade balance exceeded $1 billion. In 1993 it was $760 million and during the first six months of 1994 just $220 million. "These are the results of our joint activities," Chernomyrdin said addressing the Russian ambassadors.

He said the geographic structure of trade floats was obviously deformed. "More than 83 percent of Russia's trade turnover is linked with North Africa, including Egypt, Libya, Algeria, Tunis, Morocco and Guinea and Nigeria."

Chernomyrdin said the dynamic had been lost in relations with those countries cooperation with which had been developing on a political and ideological basis. "Our task now is to restore these relations on a healthy economic basis. At the same time we must be developing partnership with other African countries as we are now doing with South Africa," Chernomyrdin said.

He said he believed that production of many Russian enterprises could be competitive on the African markets. "The image of Africa as non-productive sphere for investments of capital still popular among Russian entrepreneurs must be changed," Chernomyrdin stressed.

Chernomyrdin said he believed that an information center must be created in Moscow with the participation of the African embassies in order to help Russians and Africans to know each other better. He added that relations with such real economic organizations as the African Bank and the African Fund of Development must be established.

Chernomyrdin said there were many proposals on development of political and trade-economic relations with African states. "Russia's embassies are active in this sphere of activities. However, such cooperation is lacking real practical results. In the result it is hard for the Russian government to decide why cooperation with Africa in some spheres is more beneficial for us than, for instance, with Latin America or with the Asian Pacific Region.

Economic Report Summarizes First Half of 1994

LD1207163694 Moscow INTERFAX in English 1534 GMT 12 Jul 94

[From the "Presidential Bulletin" feature: No. 132 (622); compiled by Nikolay Zherebtsov and Andrey Petrovsky; edited by Vladimir Shishlin]

[Text] Next Thursday's [14 July] government meeting, to be chaired by President Boris Yeltsin, is to sum up the country's social and economic development in the first six months of the year and its immediate tasks.

The Economics Ministry, in a document drawn up for the meeting, forecasts that, in the latter half of the year, inflation will be kept at its current moderate rate, the fall of production will slow down but so will the growth of the population's real incomes.

Prices will be rising by 6 to 9 percent a month (as compared to June's 5 percent), but by 10 to 11 percent in September and October; industrial production will drop by 25 to 27 percent (in the first six months of the year it was 26 percent down on the same period last year), and the gross domestic product will contract by 16 to 18 percent (the GDP of the first six months of 1994 was 17 percent less than that of the same period of 1993).

The situation in the industries where production has been declining particularly rapidly, such as those manufacturing agricultural machinery, the electrical engineering and textile industries, will remain grave, according to the Economics Ministry document.

Oil production in the third quarter will not rise above 78 million tonnes, which is 89 percent of the amount produced over the same period last year, and electricity generation will go down by 7 percent. Between 87 and 91 million tonnes of grain will be produced, as compared to last year's 99 million.

The favorable trade balance will by the end of the year amount to $16 billion, as compared to last year's $17.5 billion. Exports will stay at last year's level, while imports may go up by 8 percent, the ministry forecasts.

It says that the inefficient procedures for financial transactions between partners in Russia and other members of the Commonwealth of Independent States (CIS) remain an impediment to the development of Russia's economic relations with other CIS countries. The ministry expects commercial banks' participation in such transactions to increase and the amount of transactions done via correspondent accounts in Russia's Central Bank to diminish and be mainly confined to payments guaranteed by the state.

The ministry says Russia will have problems this year with the repayment by other Commonwealth states of loans received from the Russian government last year. IF Note: This year Russia was to receive $693 million as repayment of the loans. But Belarus said it was only able to pay 50 percent of its debt, Armenia 40 percent.

Despite this, Russia's 1994 budget provides for another total loan of 533 billion rubles to CIS countries. Moscow has already signed agreements to lend 80 billion rubles to Tajikistan, 50 billion to Kyrgyzstan and 150 billion to Belarus. Negotiations are also underway for loaning 125 billion to Uzbekistan and 110 billion to Armenia.

The ministry suggests the following priorities for the government to focus on before the end of the year:

in pursuit of objectives set by the economic union agreement, to consistently remove obstacles to the development of Russia's trade and economic relations with other CIS countries. In particular, to take measures, on a mutual basis, to carry out presidential decrees to cancel quotas and licensing, change the taxation policy and stimulate investment;

to take steps to improve Russia's trade balance with each Commonwealth country, to ensure that all of them repay their loans and to use as little of the money allocated to be loaned to the Russian economy for balancing out Russia's current trade with those countries;

to steadily develop integration processes within the CIS, to help Russian enterprises establish direct links with enterprises in other CIS countries, and to provide assistance for transnational trading and industrial companies;

to work out mutually acceptable solutions to the mutual payments problem.

Fuel Minister Says 'Unpopular Measures' Necessary

LD1207145794 Moscow INTERFAX in English 1340 GMT 12 Jul 94

[Text] The Russian government must take unpopular measures to improve the situation in the fuel and energy complex, Russia's Minister of Fuel and Energy Yuriy Shafrannik told the leaders of the Tyumen Region and the heads of Russia's largest oil-production companies on July 11.

He believes that prices for energy and fuel must be raised, charges for electricity made equal for the public and industrial enterprises, and a single tariff on energy and fuel established for all territories of the Russian Federation. He also said that these problems must be solved immediately, because in a few months' time they may entail shock consequences.

The Tyumen session was devoted to the presidential decrees, government resolutions, and directives of the ministry of fuel and energy, aimed at stabilizing the socioeconomic situation in the Tyumen Region, and dealt with new credit lines for the Tyumen Region.

Yuriy Shafrannik and the leaders of the Khanty-Mansi and Yamalo-Nenets areas, and of the Tyumen Region signed a cooperation agreement on the development of the Western Siberian fuel and energy complex, which defines the mutual commitments of the federal and regional authorities.

Cabinet Earmarks Funds for Financial Support

LD1207164794 Moscow INTERFAX in English 1632 GMT 12 Jul 94

[Text] The Russian acting Minister of Finance Sergey Dubinin has announced that in keeping with the presidential decree of July 8 on the procedure of offering financial support 1,400 billion rubles are going to be earmarked from the federal budget. At a Moscow briefing on Tuesday he said the money will be spent on short-term loans to big companies facing economic difficulties, such as the Rostov farm machinery plant, KAMAZ auto works and Altaidizel. Loans will be given for concrete investment projects which require the mobilization of company means. The producers of aircraft and farm machinery, companies in the light and food industries can also count on short-term loans.

The acting minister admitted that the 1994 budget did not imply short-term credits, therefore they have to be collected from different parts of the budget. The 1995 budget is expected to contain a 4 percent limit on short-term loans to companies.

At the same news conference the Deputy Ministry of Economy Sergey Vasiliev said that the decree was prompted by a deluge of appeals to the president and government from directors of companies facing hardships and this led to the "strong decision of the president."

Vasiliev made it understood that the decree legalizes the actual practice of crediting companies, regulates its mechanism and restricts malpractices in the distribution of cheap budget credits.

Dubinin on Yeltsin Edict on Support for Enterprises

LD1207181994 Moscow ITAR-TASS World Service in Russian 1310 GMT 12 Jul 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow, 12 Jul—"A fast-reaction measure," aimed "at emergency support" for Russian enterprises carrying out restructuring of production—this, in the opinion of Sergey Dubinin, acting finance minister of the Russian Federation, describes the decree of the Russian president of 8 July, granting short-term financial aid from federal sources for these purposes. He said this today at a news conference in Government House.

The decree gives the government the procedure for providing financial support to enterprises of all forms of ownership restructuring their production for market relations. This aid used to be given before, but in a rather unstandardized way, Sergey Dubinin said. For example, last year 1,400 billion roubles were spent for these

purposes. Henceforth the president's decree establishes the allocation of funds for the support of restructuring of enterprises only from the budget, and also the ceiling—4 percent of the whole budget, for the purpose of not permitting an increase in the rates of inflation.

Loans to the enterprises are allocated at a beneficial bank rate at the decision of the government with the attachment of certain conditions (technical and economic criteria) stipulated by the decree. The chief of these conditions is the possibility of obtaining a quick and effective economic yield. It will be a once-for-all measure, Sergey Dubinin stressed, and to date applications have been made from practically all industries, but the government will stick to the priorities of state interests when providing credit for these purposes. It is a question, for instance, of giving priority aid to aircraft manufacture, to enterprises producing agricultural equipment, and to the Kamaz motor vehicle enterprise which suffered from a fire. Nonstate enterprises will have to produce bank guarantees in order to obtain beneficial loans for restructuring.

Zhirinovskiy Solutions to Economic, Crime Issues

MM1307095394 Moscow KOMSOMOLSKAYA PRAVDA in Russian 12 Jul 94

[Article by Vladimir Zhirinovskiy from "Business Tuesday" supplement p 3: "Young Wolves Cannot Be Driven Back into Scientific Research Institutes"]

[Text] Notice how today no one is asking for early presidential elections. That is because everyone has understood who has real chances of becoming president. If Gaydar or Yavlinskiy had collected about 40 percent in December now all the newspapers would be shouting about the need for early elections. And they would have eaten up Chernomyrdin, saying the people had supported the reformers, so get out Viktor Stepanovich! But the people did not support them. I won. And Chernomyrdin has stayed and everyone has kept quiet about presidential elections.

Realizing that there could be all kinds of surprises at open elections, the "reformers" have begun seriously to consider options for an "election-free" purely corridor transfer of power. Hence the rumors about the president's ill health, hence the "stories." At the same time the thesis is being rehearsed that the people are tired of politics and are indifferent to any elections. People are saying that election or not nothing changes. Anyone who is not too lazy is writing in the newspaper that Zhirinovskiy has made all kinds of promises but is doing nothing. But what can I do if I do not have a single post in executive power. Not one! Not even deputy minister of railroads! They won't give it to me! As a faction leader I do not even have government telephones yet as we know even a bath house director cannot be reached by the city telephones. And we do try. But give us posts in the government and we will raise Russia up.

But they do not want to give us anything. They do not need elections. But they do not even need Yeltsin today. They needed him as a banner during the fight against the old system and later as political cover for the "reforms." In two or three years financial groups have emerged and they have found political mouthpieces and those mouthpieces want power. Multibillion interests, authorizations, licenses, commercial structures, and banks now stand behind power. And the present president is not playing all these games and so they do not need him. He is in it for himself, as it were.

The West is also giving up Yeltsin. This could be sensed particularly after Clinton's visit to Moscow. The Americans obviously tested the dishes in our political kitchen and were dissatisfied with the chef. After Clinton's inspection the tone of the Western press with regard to B.N. became quite dry, cold, and sometimes caustic.

The economic basis of support is also being upset. Those who earned huge amounts of money in 1991-1992 are now panicking. Banks are failing, firms are disappearing without trace. The young wolves who pushed their way up from below, from nowhere, and loved Yeltsin for his anticommunism are experiencing severe oxygen deprivation. They are disillusioned. Structures close to the state representing the interests of the top officials are emerging to the fore. These officials never liked Yeltsin. And even as they earn hundreds of thousands of dollars today they remember with a sigh the "old days" when there was "order."

But...as the song says you cannot play a film backward. You cannot drive the young boys who have had a taste of money and independence back into the scientific research institutes. They can be turned into criminals, which is what the present state seems to be doing. Take the well known firms "MMM" and "GMM." They collect money from the population at interest. On the one hand there is frenzied advertising of these firms' services on state television and on the other the news programs describe how these firms are having problems with the tax police, the Central Bank, and the Ministry of Finances. Tax men with assault rifles are bursting into their offices, collecting documents, and frightening clients. Is that normal? The state should be glad that someone has managed to get a good hold on the market and win the competitive struggle for money from the banks close to the state, where you have to stand in line, where the interest rate is lower, where the girl at the window is rude, where they do not know how to organize advertising. Why kill the goose that lays the golden eggs? Better to call the boys from "MM" and "GMM" and tell them: If you don't pay taxes and fulfill certain conditions, you will have a hard time. If you do pay and fulfill these conditions, then you will have or eternal love. You may be sure the young wolves will do everything as it should be done.

It is the same with crime. The state should know how to reach an agreement. For instance, I would be pleased to meet with those in charge of the criminal world and

would say to them: I need you to suppress street crime and take in hand the minors who have no sense. In return, boys, I will hand over completely to you your own spheres—the casinos, prostitutes, and dubious vendors. And they will answer: Very well, but you must restrain the militia's anarchy. And I will say: Give me the facts. And so on. And we will make a deal. And resolve everything. And if every oblast administration head has advisers consisting of strong local boys then they will have the means to make people answerable for attacks on old women on the street, for arson and murder. We must know how to combine the toughness of special militia attacks, which are also needed to cool the hotheads, with the subtleties of diplomatic maneuvering.

The question arises: How does the LDPR [Liberal Democratic Party of Russia] see the replacement of power? I reply: only through elections. We have never undertaken nor will we undertake any coups. We need elections as a holiday, as the requirement of a healthy organism. Local, regional, and federal elections. We must accustom people to elections as they are accustomed to a cup of tea in the morning. If you have elected the wrong people then the next time you can correct your mistake. If you are dissatisfied with Mr. X, you yourself are to blame, you voted for him. I can see how people feel because they feel as though they are accomplices in what is happening. They also bear a share of the responsibility, a tiny share, but a share nonetheless.

But it is a paradox that he bears infinitely great responsibility has no intention of repenting. Recently Yegor Timurovich Gaydar wrote a whole article about my humble person in which he called me a "fascist." Let us leave aside the shouting. The main thing lies elsewhere: Yegor Timurovich, you became irritable when I appealed to the "young wolves"—the new Russian entrepreneurs who have risen up on the crest of perestroyka. After all, you considered them your people. And they were yours in 1991-1992, when money was being made out of thin air. Now they do not simply need money—they got no physical pleasure out of large sums of money—they need influence, stability, protection, and access to resources. They do not want to be third-raters in Europes [as published, "v Yevropakh"]. And you, Yegor Timurovich, are reading them lectures about the harm of inflation. You no longer understand them. And another thing. The "young wolves" do not like losers. They like winners.

Military Issues

Grachev on 'Verge of Despair'

MK1307110094 Moscow KOMMERSANT-DAILY in Russian 13 Jul 94 p 3

[Report by Ilya Bulavinov: "Pavel Grachev Disagrees With the President. Defense Minister Unfaithful to Yeltsin With State Duma"]

[Text] Pavel Grachev, who has until now bet on the president, has effectively ignored the State Duma Defense Committee. But on the evening of 11 July he received for the first time members of the committee at his ministry. During the meeting Grachev made two sensational statements that are clearly at odds with the president's viewpoint. The minister said that the Armed Forces should have a strength of 2 million men, not 1.5 million. In addition, in his view, all "men with shoulder boards," except for Internal Affairs Ministry and Foreign Intelligence Service officers, should be subordinated to the Defense Ministry.

Only a few days ago, during his stay at the North Caucasus Military District, Grachev, while complaining that his view was not heeded in setting the Armed Forces' strength, acknowledged that the president's decision on cutting the army down to 1.5 million men was final.

It cannot be ruled out that the sudden change of tide in the minister's views occurred on 8 July after a military-scientific conference, at which Pavel Grachev evidently realized that most participants in it did not back the presidential idea. Although journalists were not allowed to follow the progress of the debate, one can infer with a high degree of assurance that the displeasure was so strong that Grachev had to be particularly sensitive to his subordinates' stance. At present, Grachev appears to be on the verge of despair, which was confirmed by his words at the conference: "Today I am the minister, tomorrow you will put in place a new one, so what's the difference? Let us think about Russia."

Boris Yeltsin, who allowed the military budget to be cut and announced a drastic reduction in the Armed Forces' strength, should have expected that his authority would be seriously dented. It was hard to predict, however, that dissatisfaction would burst open so soon. Grachev appears to have drawn lessons from the recent past and decided to give thought to the 1995 budget without further delay. The defense minister's revelations in a conversation with State Duma deputies were meant to demonstrate that from now on he is inclined to be on friendly terms with the Duma (the "heart-to-heart" conversation lasted for more than three hours).

The minister explained his wish for construction, auto and railway transport, and civil defense troops to join his Defense Ministry by his desire to cut defense spending. Meanwhile, the share of these "troops" in the defense budget does not exceed 3 percent, and a transfer of this money to the Defense Ministry will clearly not improve the situation. The minister's strange initiative appears to confirm that currently Grachev clearly does not feel at ease and so he has been doing his utmost to prove himself irreplaceable both in a period of crisis and at a time of stabilization.

Komsomolets Torpedo Launchers Prepared for Sealing

LD1207192694 Moscow INTERFAX in English 1759 GMT 12 Jul 94

[Text] During an expedition of the Russian Emergencies Ministry to the site where the nuclear submarine Komsomolets sank in the Norwegian Sea two of its rocket launchers with nuclear torpedoes were prepared for eventual hermetic sealing.

The ministry told Interfax that as a result of dives of the bathyscaphes Mir-1 and Mir-2 the bottom exit frames of the launchers were fixed with five holders, and two protective shields were delivered to the crash site.

The expedition's main goal was to hermetically seal the two launchers of the submarine which sank in April 1989.

The safety measure is to prevent contamination of the environment with plutonium and other radioactive substances. The main danger comes from the torpedoes' rusting cases. Special substances were planted in the reactor department of the submarine to absorb moving radioactive materials.

The expedition is carried out with the research vessel Mstislav Keldysh. A laboratory on board the vessel will carry out studies on the environment in the vicinity of the Komsomolets and carry out research on the likelihood of radioactive substances harming people through the fish they eat.

Official Reports 518 Servicemen Killed in 1994

LD1207192094 Moscow INTERFAX in English 1759 GMT 12 Jul 94

[Text] As many as 518 servicemen were killed in the Russian armed forces over the first six months of the year, Deputy Chief of Staff Lieutenant General Anatoliy Bogdanov told parliamentary hearings on deaths and injuries of servicemen in Moscow Tuesday.

Bogdanov called the allegations that exclusively soldiers and sergeants had been the victims as unfounded. According to his information, 73 Russian officers were also killed in the first half of 1994.

Bogdanov said that violation of safety precautions was the main cause of death (57 percent). Bullying, or hazing, was responsible for 5 percent, while deliberate murders accounted for 8 percent and suicides for 27 percent. As the main reasons for the deaths of Russian servicemen in peacetime, Bogdanov indicated "the lack of effective pre-draft training and poor efforts for raising morale in the army."

Crisis in Aircraft-Building Industry Discussed

LD1207191894 Moscow INTERFAX in English 1759 GMT 12 Jul 94

[Text] Russian aircraft building is in a serious state as a result of insufficient state support, said participants at the meeting of the governmental commission on day-to-day issues chaired by First Vice Premier Oleg Soskovets today.

Aircrafts become out-of-date with each passing day and only about 30 percent of them can still be in use by 2000, it was pointed out at the meeting. The resources allotted for financing projects to create new equipment for civil aviation (349 billion rubles for 1994) are not sufficient and will not go far in helping the industry.

More and more foreign companies are penetrating into the Russian market. In particular, now there are 23 foreign aircrafts utilized on the territory of the former USSR. A total of 18 more foreign aircrafts have been ordered.

Many Russian aircrafts are outdated, consume too much fuel and are not in conformity with international standards. However, aircraft building enterprises have no money for completing work on new kinds of equipment or their mass production; examples of under-funded projects are the IL-114, Tu-204-200, IL-96M.

Tatar President Mintimer Shamiyev took part in the meeting. He proposed that aircraft building be made a priority of the government's current economic policy. He paid special attention to the situation with the Kazan aircraft building plant (the only one in Russia producing strategic fighters and Tu-160 missile carriers).

Military production in Russia has been significantly decreased. Within the scope of conversion the Kazan plant is ready to produce Tu-204-200 aircraft. However, the Kazan plant will need about $18 million for purchasing special equipment abroad since it is not available yet in Russia.

Given the lack of money in the state budget, the governmental commission instructed the Finance Ministry to conduct a series of consultations with the participation of representatives of banks and enterprises in order to work out a plan for financing aircraft building.

Federal Assembly

Duma Experts Cool to Plan for Arms Control Agency

MK1207115094 Moscow SEGODNYA in Russian 12 Jul 94 p 2

[Report by Boris Sherman under the "Bureaucracy" rubric: "'Disarmament Ministry' About To Be Added to Russian Administration. State Duma Experts Disapprove of the Idea"]

[Text] The State Duma International Affairs Committee held closed-door hearings yesterday on urgent problems of adherence to international arms control treaties concluded by Russia in the past few years.

"Currently these matters are dealt with by the Foreign Ministry, the Defense Ministry, the Economy Ministry, the State Defense Industry Committee, the Atomic Energy Ministry, the Russian Foreign Intelligence Service, the Federal Counterintelligence Service, the Federal Agency of Government Communications and Information, and the Committee on Conventional Problems of Chemical and Biological Weapons that have appropriate departments in their structure... The coordination of the agencies' activity is spontaneous, taking place primarily at the working level," the fact sheet drawn up for parliamentarians noted. The structural scheme attached to it featured over 30 various departments, services, administrations, and other structural divisions involved in the supervision over how the Russian Federation complies with its international obligations.

SEGODNYA has been told by authoritative sources at the International Affairs Committee that the most important reason for the hasty organization of the debate was information that a draft edict on setting up a special "coordinating structure"—the Russian Federal Arms Control and Disarmament Agency [FACDA—Federalnoye Agenstvo Rossiyskoy Federatsii po Kontrolyu nad Vooruzheniyami i Razoruzheniyu]—was circulating at the presidential administration. The draft edict and the related FACDA Statute call for setting up a special service with an official payroll of 250-300 people to be drawn according to fixed quotas from the Defense Ministry, Foreign Ministry, and other officials. The aforementioned fact sheet stresses that 20 percent of the emerging vacancies are planned to be allocated to "the industry" (apparently, a reference to the military-industrial sector). The chief of the would-be agency will have the status of a Russian Federation Government minister and a permanent member of the Security Council.

As the main argument in favor of this idea, the authors of the draft cite the existence of a similar agency in the U.S. Administration. Competent specialists point out, however, that the U.S. Arms Control and Disarmament Agency is routinely criticized in the United States as a parasitic, extremely ineffectual bureaucratic superstructure which tends to duplicate the work of the power departments. In addition, its powers are at best limited to drawing up general recommendations for the president and the Congress.

More or less similar objections have been raised in advance with regard to the yet nonexistent Russian FACDA. At the parliamentary hearings disarmament "professionals" from various agencies unanimously acknowledged that their efforts need to be coordinated. But the majority were nonetheless inclined to believe that this need should not give rise to the construction of an unwieldy and costly bureaucratic machine. Moreover, a new federal service would look entirely superfluous given the existence of the fairly formidable (in terms of organization and personnel) Russian Federation Security Council, which is presently endowed with broad constitutional powers. Finally, the setting up of a "Disarmament Ministry" would require additional efforts to achieve power sharing between it and the presidential national security adviser's office (it will be recalled that this post is occupied by Yuriy Baturin).

Judging by comments of Duma International Affairs Committee members on the course of the debate, many participants in the hearings see a transfer of coordinating functions to the Security Council's jurisdiction as the most reasonable solution to the problem. It is another matter that its current leadership—and first of all Security Council Secretary Oleg Lobov himself—do not look very much prepared to take over a greater workload and, hence, a greater responsibility.

Bill Banning Nuclear Waste Imports Passes 1st Reading

PM1207141394 Moscow KRASNAYA ZVEZDA in Russian 9 Jul 94 p 1

[Report by Vladimir Yermolin: "Let Us Strike at Nuclear 'Garbage' Using the Law. Way Into Russia Closed to Radioactive Waste"]

[Text] The State Duma has adopted the draft law "On State Policy in the Sphere of Radioactive Waste Handling" on its first reading. The document is remarkable mainly because it prohibits the import of nuclear waste from other countries onto Russian territory. Article 50 of the draft stipulates criminal prosecution for violating legislation on the handling of radioactive waste. Those found guilty of concealing or distorting information relating to radioactive contamination of the environment will also have to answer for it.

But how in this connection are we to describe the actions of the state itself, which will never find the money to recycle decommissioned naval submarines? Hundreds of sailors are obliged to perform their military service next to spent nuclear reactors. For the time being it happens that this "human material" is cheaper than any other. It is possible that the aforementioned law will bring to book some of the indicted officials who are responsible for the lack of money for recycling hardware and weapons and the lack of elementary safety procedures during servicing.

This refusal to be a garbage dump for international radioactive waste is a good thing, certainly. But things will not get any easier for us because our land will be ulcerated by our own radioactive garbage. The same fate which has befallen dozens of legal acts that have been ignored by the executive branch "for objective reasons" should not, it seems, befall a law which directly affects the health of our own land and millions of Russians. Anyway, when you take a look at this document, you

cannot shake off the feeling that we have been very late in starting to put on our protective gear.

Parliament Chiefs on Devolution of Power to Regions

MK1207111094 Moscow SEGODNYA in Russian 12 Jul 94 p 2

[Report by Yelena Tregubova in the "Federation" column: "The Duma and Senate Convene Regional Parliamentarians. The Coordinating Council Will Work a 'Model' of Local Charters"]

[Text] A session of the Coordinating Council on Interaction between the Federal Assembly Houses and the Legislative Power Structures of the Russian Federation Components was held at the Federation Council yesterday.

Ramazan Abdulatipov, Federation Council deputy chairman, is convinced that the Council should become a permanent coordinating body which in the near future will discuss, for instance, a law on local self-government and on the tax system. According to Abdulatipov, "a trend has emerged today to delegate powers from the Center to the local level, but this is not being backed up financially." The upper chamber deputy speaker thinks that first priority needs to be given to "financial-budget federalism," for example, through a reform of tax policy.

Deputy Duma speaker Mikhail Mityukov agreed with the need to delegate real powers to the regions, admitting that "the current situation indeed does not really differ from the former state regulation." According to Mityukov, many in the State Duma are today seeking again to subject the regions to the Center's diktat.

Ramazan Abdulatipov said it was imperative to consider whether central power bodies are not interfering by revising the local constitutions or charters adopted in the regions. He is convinced that the most "democratic" procedure would be to work out "model" local "fundamental laws" and grant the regions full independence in their "adaptation." The Coordinating Council, Federation Council leaders believe, should take an active part in drafting such a "model charter." It is noteworthy that judging by the attendance lists, representatives of several dozen krays and oblasts and only one republic—Tatarstan—took part in yesterday's session.

Lukyanov on Duma Hearings on CIS Pact

PM1207134994 Moscow PRAVDA in Russian 9 Jul 94 p 2

[Interview with Russian State Duma Deputy Anatoliy Lukyanov by Viktor Trushkov; place and date not given: "The Duma Listens, the Kremlin Goes on Eating. For the Time Being. Anatoliy Lukyanov Is Sure That the Union of Our Peoples Is Not Only Behind But Also in Front of Us"]

[Text] [Trushkov] Anatoliy Ivanovich, the hearings in the State Duma on the Belovezhskaya Forest agreements are an event which cannot be overlooked. (A report on them was carried in PRAVDA's 7 July issue—PRAVDA editor's note). But will they not turn out to be just another lot of empty talk?

[Lukyanov] The hearings will result in the State Duma's recommendations being prepared on the basis of them. Their purport may be defined as follows: a search for constructive ways to develop the CIS and support for N. Nazarbayev's proposals for a Eurasian Union.

[Trushkov] What was the reason for these hearings?

[Lukyanov] Communists had repeatedly raised in the State Duma the question of denouncing the Belovezhskaya Forest agreements, which led to the destruction of the USSR. At the same time we proposed inviting to a session of parliament representatives of the top legislative power in those republics which, it so happened, approved these agreements in their time. The communists' demand was supported by deputies of a number of other factions. Then the Duma adopted the decision to hold a hearing on this question. The Committee on CIS Affairs and Relations with Compatriots recently fulfilled that assignment. Incidentally, Ukrainian and Belorussian [Belarusian] deputies were invited to the hearings.

Upholding the extreme need to denounce the Belovezhskaya Forest agreements, G. Zyuganov emphasized in his statement at the hearings that last April representatives of 19 communist parties had once again condemned the compact, which was made, incidentally, 3 km from the border and led to the USSR's destruction, and had advocated an efficient search for ways to recreate an effective commonwealth of former union republics. Moreover, communists have a detailed concept of the revival of a renewed union state.

[Trushkov] Such a position is natural for communists. But is it shared by other political forces represented in the Duma?

[Lukyanov] Practically all who addressed the hearings, including experts, concurred in the opinion that the USSR's destruction is a very great tragedy and even a crime against the people. Only S. Shakhray attempted to whitewash the compact in the border hamlet of Viskuli. The hearings resulted in an assessment of the Belovezhskaya Forest agreements and their consequences by almost all the Duma factions. Only "Russia's Choice" and the kindred "12 December" deputies' group ostentatiously refused to participate. A mood in favor of recreating the union state is gathering momentum in society.

[Trushkov] Individual politicians have already begun to exploit these sentiments. M. Gorbachev is attempting to make precisely these into a resuscitation ward for himself. Did his position in the hearings appear attractive?

[Lukyanov] Gorbachev spoke twice. His speeches were, as always, rounded and flowery. He advocates a union of our states. From his lips, however, this thesis sounds declarative, for he sees no real mechanisms for recreating the union of fraternal peoples.

[Trushkov] How does the uniform of an assembler of a union state look on S. Shakhray?

[Lukyanov] To a considerable extent Shakhray expresses the interests of the ruling "democrats." They would now like to jump onto a train that is picking up speed and moving in the direction of increasingly close integration among the states which arose on the basis of the USSR. Therefore at the hearings he advocated the formation of their confederation.

[Trushkov] But do these declarations accord with the actual actions of the Russian Government, in which Shakhray holds the post of vice premier? One example. The potholes in the road to a single ruble zone of Russia and Belorussia [Belarus] give rise to natural skepticism about the vice premier's declaration. People in Belorussia do not conceal the fact that the difficulties in forming the ruble union are being created artificially and—most importantly—deliberately by Russia's executive power.

[Lukyanov] I repeatedly heard similar opinions during my recent trip to Belorussia. But it is not even this that I wanted to note. Almost all the experts who spoke in the parliamentary hearings repeatedly emphasized that the delay in elaborating mechanisms for the CIS countries' rapprochement and for cooperation among all the former union republics stems, above all, from the leadership of Russia. This delay is being perpetrated quite deliberately and quite purposefully.

[Trushkov] Anatoliy Ivanovich, hearings are a specifically parliamentary form. Deputies and a quite restricted circle of specialists are involved in them. Are such hearings capable of having any real influence on mass awareness in society and stirring the peoples of all the former union republics?

[Lukyanov] I believe that their influence will certainly extend beyond the Duma's walls. The speakers concurred—some with satisfaction, some through their teeth—in the opinion that the resolution of questions of strengthening cooperation among our states will today depend primarily not on the executive authorities but on the representative organs. And, of course, on their peoples.

Federation Council Approves Law on Constitutional Court

LD1207124094 Moscow ITAR-TASS World Service in Russian 1130 GMT 12 Jul 94

[Text] Moscow, 12 Jul—The federal law "On the Constitutional Court of the Russian Federation" was approved today at a sitting of the Federation Council. This is the first constitutional law passed by the Russian Parliament under the new Russian Basic Law.

The law on the Constitutional Court was earlier passed by the State Duma and then examined and approved by the Federation Council Committee on Constitutional Legislation and Judicial and Legal Issues.

Under the Russian Constitution, a constitutional law is passed with three-quarters of the votes of members of the Federation Council. Eighty two percent of deputies voted for the law in question.

After approval of the law by the upper house of parliament, it must be signed by the president of Russia and published within 14 days of the date when it was passed. Moreover, the head of state does not at this stage have the right to impose a veto on it.

Commenting on the approval of the law on the Constitutional Court, Federation Council Deputy Yuriy Boldyrev said that "the era of law begins when there is a body to protect it." He believes the Constitutional Court is just such a body.

Members of the Constitutional Court praised the decision of the Federation Council. In particular, judge Gadis Gadzhiyev believes that now the Constitution of Russia "is beginning to work fully."

Duma To Change Rules for Deputy Groups Registration

MK1207094094 Moscow SEGODNYA in Russian 12 Jul 94 p 1

[Report by INTERFAX: " 'Decembrists' Group Registration Could be Canceled"]

[Text] The "Liberal Democratic Union of 12 December" deputy group may be disbanded if the State Duma rules of procedure, drafted by a committee in charge of organizing the chamber's work and to be considered on 14 July, are amended. It is being proposed to introduce a norm whereby the composition of deputy groups be reregistered in the final week of each month. A group's registration would be canceled should it number less than 35 deputies by the time of repeat registration. After a number of deputies left the "Decembrists" group, about 30 people remain in it.

Regional Affairs

Gromov Visits Pacific Fleet, Seeks New Commander

LD1307082894 Moscow ITAR-TASS in English 0729 GMT 13 Jul 94

[Text] Vladivostok July 13 TASS—Russian Navy Commander-in-Chief Feliks Gromov arrived on an inspection mission to the main base of the Pacific Fleet in Vladivostok on Wednesday and observers say that his main task is to find a new commander of the fleet.

Former Commander Georgiy Gurinov was sacked in May after a major explosion occurred at ammunition dumps of the fleet and Vice-Admiral Igor Khmelnov was appointed acting commander.

However, the press service of the fleet said only that Gromov will check combat readiness of the Navy, preparations for the winter campaign, the level of discipline and the course of ship repairs.

Earlier Gromov visited the Kamchatka flotilla.

Gromov Ends Far East Trip

LD1307061494 Moscow ITAR-TASS World Service in Russian 0322 GMT 13 Jul 94

[Text] Admiral Feliks Gromov, commander in chief of Russia's Navy, who is making a trip around the Far East, has arrived at the main Pacific fleet base after visiting the Kamchatka Navy flotilla.

According to a report from the press service of the Pacific Fleet, the commander-in-chief, together with a group of admirals and senior officers from the headquarters of the Pacific Fleet, is checking the state of battle readiness of the fleet, the progress being made in repairing vessels, the training of the formations for the winter campaign, and the standard of military discipline on the ships and in the units.

In the opinion of observers, the main mission of the commander in chief is that of resolving the long drawn out issue of a new commander for the Pacific fleet. The former commander, Admiral Georgiy Gurinov, was removed from the post he occupied soon after the explosion at the depots of the fleet's aviation. Since May the duties of commander of the Pacific fleet have been carried out by Vice-Admiral Igor Khmelnov.

Buryatia President Disbands Government

MK1207110094 Moscow NEZAVISIMAYA GAZETA in Russian 12 Jul 94 p 3

[Unattributed report under the "NEGA Reports" rubric: "Russian Federation"]

[Text] Buryatia President Leonid Potapov has issued his first edict under which the activity of the government led by Prime Minister Vladimir Saganov ends as of today. Also dismissed are a number of deputies to the head of government, and chairmen of the state committees. A special presidential commission has been set up tasked with solving concrete questions of reforming the social organs of state power of the republic. The Buryatia president has appointed Lidiya Nimayeva, who before this was acting Supreme Soviet chairman for science, culture, youth, and sports, as deputy head of government for social questions. Revamir Garmayev, former Supreme Soviet deputy chairman of the republic, has been appointed administrator of affairs. Valeriy Yakovlev, who before this was acting chairman of the Ulan-Ude City Soviet of People's Deputies, has been appointed permanent representative of the president in the republic's People's Assembly. On 11 July, Leonid Potapov left for Moscow where he will hold a meeting with Boris Yeltsin and take part in the work of the Federation Council of Russia's Federal Assembly.

Sterligov Visits Chechnya, Meets Dudayev

PM1207124194 Moscow KOMSOMOLSKAYA PRAVDA in Russian 12 Jul 94 p 2

[Report by Ruslan Martagov under general heading: "And Again Russian General Has Come to the Caucasus...."]

[Text]

Meanwhile

Russian National Assembly Chairman A. Sterligov has returned from Chechnya.

Of course we cannot say what the two former generals talked about in the Chechnya capital. Perhaps there was a discussion of the resurrection of the USSR in a scenario which would generate nostalgia in wearers of trousers with stripes [reference to top-ranking Soviet officers]. While destroying Russia General Dudayev will never let slip an opportunity to publicly regret the collapse of the USSR. In circles close to the extreme flanks of the Russian opposition this rhetoric imparts to the separatist's actions the nature of revenge for the Belovezhskaya Forest meeting.

Mr. Sterligov's statements at the press conference organized on his return to Moscow convince us that the meeting in Groznyy proceeded in accordance with the principle: When I get there they all think like me! Having talked with his Chechen counterpart for a while Mr. Sterligov contrived to see the contradictory status of Chechnya today only through his counterpart's eyes. It turns out there is no Chechen opposition, there are individual bandit groupings. The firing on the microrayon on the night of 12-13 June by government troops when, according to information from various sources, up to several hundred civilians died, happened allegedly through Moscow's fault.

Moscow, it turns out, is also to blame for the fact that the citizens of the "independent and sovereign" republic have been unable to get either pensions or wages for years.

The sense one got from the press conference was that anyone who feels like it can play the Chechen card by spitting on his fingers since those whose official duty it is to do it can foam at the mouth when they denounce what is happening many miles away and quite fail to notice what is happening in the so-called component of the Russian Federation known as the Chechen Republic.

Ingushetia Declared 'Most-Favored' Economic Zone

LD1307083394 Moscow Ostankino Television First Channel Network in Russian 0700 GMT 13 Jul 94

[From the "Novosti" newscast]

[Summary] Ingushetia is the first of the republics in the north Caucasus to be granted the status of a most-favored economic zone [zona naibolshego ekonomicheskogo blagopriyatstvovaniya]. The government of the Russian Federation is allocating 150 billion rubles for the experiment, which is aimed at encouraging foreign investment and opening joint ventures—primarily small factories—to process agricultural produce.

Reasons for Stepashin Stavropol Visit Analyzed

PM1207113994 Moscow KOMSOMOLSKAYA PRAVDA in Russian 12 Jul 94 p 2

[Report by correspondent Aleksandr Yevtushenko under general heading: "And Again Russian General Has Come to the Caucasus...."]

[Text] FCS [Foreign Counterintelligence Service] Chief Sergey Stepashin has visited Stavropol. What made him undertake this visit? The Stavropol district would seem never to have been distinguished by a passion for espionage.... On the other hand, Sergey Stepashin noted, the kray has another characteristic feature—a 126 km border with the Chechen Republic.

First, Sergey Vadimovich revealed the aim of his visit—determining future mutual relations with Chechnya. Considering the three acts of terrorism involving the seizure of helicopters and the armed confrontation between Dudayev and Labazanov. Here perhaps a meeting will be needed between the Russian and Chechen presidents, as mentioned at the recent Security Council session. But all this is only on condition that official Groznyy signs the Federation Treaty. To "tame" recalcitrant Chechnya the Russian leadership has elaborated a number of measures about which the FCS chief preferred to keep quiet. He merely said that there is no gamble on military force. And these measures are rather of an economic and political nature.

The second reason why Stepashin has come to Stavropol is to "consult over how we will fulfill the president's edict on the struggle against banditry." Here he himself is "100 percent" for the edict. And 100,000 FCS workers are ready to fulfill it. It is a pity the counterintelligence service has little money. They were supposed to give 1.217 trillion rubles [R] from the budget but just R900 billion were earmarked. And what kind of money is that nowadays? It is true that they promise to provide a further R200 billion.

So that they will perhaps now cope with the internal enemies of democracy. Counter to the gloomy forecasts of human rights campaigners this battle will not be reflected in any way on the rights of ordinary people. "The ordinary person, not the criminal, will have rights," Stepashin said. Here he gave an assurance that now it will be hard for mafiosi to hide from justice, even abroad. At any rate in the United States.

The third point on the program of the FCS director's visit is the Stavropol cossack community. This includes the border troops' reinforcement with cossacks and their participation in preserving order. The elders did not let the opportunity slip by. The "Chechen question"—how to resolve it? Deploy troops along the bank of the Terek, billet an armored regiment. And return to Stavropol Kray all the regions which were handed over in the fifties to Chechnya, Dagestan, North Ossetia, and Kabardino-Balkaria. Settle cossacks in the regions—and you will have a buffer for Russia.

Stepashin refused to comment on this plan, calling it a "delicate issue." With regard to the "cossack occupation" he recalled that the local authorities of the border kray of Stavropol are invested with great powers for regulation. And, balancing on the verge of the Fundamental Law, they can determine who to register and to whom to give land.

"It is true," Sergey Stepashin noted, "that in our life the tougher the laws the easier they are to circumvent."

International Affairs

Foreign Ministry Issues Statement on Yemen Conflict

AU1307095294 Kiev HOLOS UKRAYINY in Ukrainian 12 Jul 94 p 8

[Unattributed report: "The Attitude Is Not One of Indifference"]

[Text] In view of the sharp exacerbation of the armed confrontation in the Republic of Yemen, Ukraine's Ministry of Foreign Affairs made a statement in which it called upon the sides to the conflict to immediately stop fighting and start a constructive political dialogue in order to resolve the dispute.

Ukraine's Ministry of Foreign Affairs expressed its full support for UN Security Council Resolutions 924 and 931, as well as for the mediatory efforts by the League of Arab States and other organizations and individual countries aimed at reaching a settlement between the Yemen sides and for their search for ways to resolve the conflict as soon as possible with the help of mediation, as this will promote the establishment of peace, stability, and security in Yemen.

Claims of Kuchma's 'Pro-Russian' Stance 'Groundless'

LD1207170194 Moscow INTERFAX in English 1603 GMT 12 Jul 94

[Text] The Ukrainian ambassador to Russia Volodymyr Krzhanovskiy has described as absolutely groundless the claims of some politicians and journalists that Leonid Kuchma elected the Ukrainian president last Sunday [10 July] is pro-Russian.

At a Moscow news conference on Tuesday he said that Kuchma is "a pro-Ukrainian president" because the good of the Ukrainian people is his priority and it can be reached on the road of equal and mutually-beneficial cooperation with all interested countries.

Krzhanovskiy also declared that the forecasted split of Ukraine on the basis of "which region voted for whom" does not stand any criticism. He quoted Kuchma as saying that "those speaking of a split should be punished as criminals."

Speaking of relations with Crimea the ambassador assumed they would be normal and described the division of the Black Sea Fleet as an untimely business which has taken too much attention to the detriment of questions of industrial recovery.

In the opinion of Krzhanovskiy, there is no need for Russia to build new ports on the Black sea as it can use appropriate Ukrainian facilities on the basis of mutual benefit. Similarly Ukraine is ready to cooperate with all other countries of the CIS the economic mechanism of which should finally start working. Krzhanovskiy said the new Ukrainian president is interested in that too.

Latvian Defense Minister Arrives on Official Visit

LD1207183494 Kiev UT-1 Television Network in Ukrainian 1600 GMT 12 Jul 94

[Text] [Announcer] Latvian Defense Minister Valdis Pavlovskis has arrived in Ukraine on an official visit.

[Unidentified correspondent] A welcome ceremony for the Latvian defense minister was held near Ukraine's Defense Ministry. The Latvian and Ukrainian national anthems were played. Army General Vitaliy Radetskyy, Ukraine's minister of defense, and Valdis Pavlovskis inspected an honor guard. The official welcome ended with a ceremonial march.

The military delegations of the Latvian Republic and Ukraine held official negotiations. The two defense ministers and other officials present at the talks exchanged views on the expansion and deepening of mutually beneficial cooperation in the defense sector. The meeting was held in a friendly, open, and business-like atmosphere.

In a formal ceremony following official negotiations, Pavlovskis and Radetskyy signed an agreement on military cooperation between the two states. In their speeches after the signing of this first official document between the Defense Ministries of Latvia and Ukraine, the two ministers expressed hope that the agreement will not only promote closer ties between the two states in the defense sector, but will also provide an opportunity to set up good relations in other areas. Apart from this, the document provides an additional guarantee for the strengthening of peace and security in Europe.

An impromptu news conference was then held, at which the ministers commented on the agreement they had just signed. It focuses on joint actions in the development of the Armed Forces in Latvia and Ukraine. Cooperation is planned in the military training, education, and retraining of Army personnel, and provision of financial support and legal protection of servicemen and their families. Today, the military delegations of Latvia and Ukraine began to discuss specific points of future cooperation. Many of these were discussed during Pavlovskis' meeting with Colonel General Anatoliy Lopata, Ukrainian Army chief of staff.

[Announcer] The Latvian defense minister's official visit to Kiev will continue tomorrow.

G-7 Aid Not Enough To Close Chernobyl

LD1207141094 Moscow INTERFAX in English 1336 GMT 12 Jul 94

[Text] Ukraine cannot pledge the early closure of the Chernobyl nuclear plant.

The Republican Atomic Energy Committee's chairman Mikhail Umanets said that "the financial aid which the G-7 countries pledge to Ukraine will not cover even a tenth of the necessary funds." He made this statement at a news-conference in Kiev Monday, commenting on the G-7 leaders' decision to provide Ukraine with $200 million to resolve its nuclear problems.

He said that given the shortage of funds for a complete set of measures to shut down the Chernobyl station, its closure could lead to more radiation.

He made it clear that these measures, including the shut down of blocks one, two, and three, would cost $1.39 billion plus more than the $1 billion needed to launch compensating facilities.

This sum, in his words, includes spending on the launch of three blocks—one at the Zaporozhie station ($292 million), another at the Khmelnitsky station ($485 million), and the third at the Rovensky station ($495 million).

If the Chernobyl plant were stopped and its capacities were not made up for, Ukraine's Power Grid could be in jeopardy.

National Affairs

IZVESTIYA Interviews President-Elect Kuchma

PM1207160194 Moscow IZVESTIYA in Russian 13 Jul 94 pp 1-2

[Report by Yanina Sokolovskaya incorporating interview with Ukrainian President-elect Leonid Kuchma in Kiev; date not given: "Where Is Ukraine Headed? President Leonid Kuchma Answers IZVESTIYA's Questions"]

[Text] Kiev—When Leonid Kuchma was asked during the election campaign what would happen if he were to win, he invariably replied: "I would cross myself and be happy." It is too late to cross yourself now. Leonid Kuchma has been elected the new Ukrainian president. More than 14.6 million voters—or 52.58 percent of the turnout—voted for him.

Here is what the new Ukrainian president said in response to your IZVESTIYA correspondent's questions once the voting results were known.

[Sokolovskaya] What will your reforms be based on?

[Kuchma] I advocate evolutionary rather than revolutionary economic change. In order to implement reform we need the political will. I have it.

[Sokolovskaya] In the light of this—how should relations between Ukraine and Russia be built?

[Kuchma] I want us to have equally good relations with Russia, Germany, Taiwan.... Ukraine should be a bridge between Russia and the technologically developed West.

[Sokolovskaya] How will relations shape up between President Kuchma and the newly elected parliament and prime minister? Will you be able to work with them?

[Kuchma] I respect both the legally elected Supreme Council and Vitaliy Masol. I should be able to work with them.

[Sokolovskaya] You have succeeded Leonid Kravchuk to the presidency. How do you now assess his activity?

[Kuchma] I have always said that I have regard for him. He was the state's first president and is an outstanding politician. And there are external causes of the economic crisis. If Kravchuk had admitted the real state of affairs rather than restricting himself to talking about the need for sovereignty for the country and its economy, the situation might have been different.

[Sokolovskaya] How realistic is the prospect of the federalization of Ukraine under current conditions?

[Kuchma] I do not currently consider it possible, and, above all, I want to call on everyone to unite. Difficulties are possible if attempts are made on anyone's part to make the situation worse so as to subsequently come to power. But if reason prevails it will definitely be possible to overcome the lack of understanding between western and eastern Ukraine. [Kuchma ends]

So, just what have the results of the second round of the presidential campaign produced? It has now become quite obvious that Leonid Kravchuk did not expect this outcome. Had he thought himself likely to lose, the elections would have been postponed indefinitely. The huge state apparatus and former opposition movements worked for a Kravchuk victory. Leonid Kuchma, who had no structures under his jurisdiction, won the support of the social-communist bloc only in the second round. Nonetheless, he won by almost 8 percentage points—a margin that would be impossible to falsify.

The cause of this Ukrainian phenomenon should hardly be sought in his skillful election campaigning—Kravchuk's campaign was more sophisticated and powerful. People voted not so much for Kuchma as against the policies of the first Ukrainian president.

There has already been a similar precedent in the Crimean elections. The Ukrainian situation was merely a more sophisticated repetition of it.

The party in power has suffered a disaster, and the country can now expect some major changes—to the makeup of the government, to the head of state's apparatus, and, we must assume, to socioeconomic policy.

There was a surprising reaction to events on the part of the presidential services, which had previously made zealous use of the propaganda device that Kuchma meant civil war. Now they are stating that nothing terrible has happened and that a normal historical process of a change of power is under way. But it may be quite painful—the procedure for the transition from one

administration to another has not been legislatively defined. There could be all too many moot points [kazus] in this process. "After all, nobody thought that there would have to be a handover of power."

Accepting this political inevitability, Speaker Aleksandr Moroz and Prime Minister Vitaliy Masol were the first to congratulate Leonid Kuchma on his election. Leonid Kravchuk is said to have phoned Moroz on the morning of 11 July to say "I've lost," and then set off for his out-of-town dacha. A return to the Ukrainian political scene by Leonid Makarovich now seems very dubious.

Vitaliy Masol, who was betrayed by Kravchuk in 1990, will work more willingly with Kuchma. He is closer to him both in terms of his past career as a director and in terms of his plans for the future.

The presidential elections also introduced a new aspect to the Crimea problem. Previously Yuriy Meshkov could painlessly oppose Kravchuk—the peninsula did not vote for him. It will be impossible for the peninsula administration to oppose Kuchma, who was legally elected by the Crimea. He was preferred by 89.7 percent of the autonomous area's citizens who voted.

Any confrontation after the election with western Ukraine, which preferred Kravchuk, is unlikely as well. The newly elected local authorities report that they are entirely able to cooperate with Kuchma on the basis of his program for economic transformations. Incidentally, according to a statement from Leonid Danilovich's representatives, the west's desire to see Kravchuk as president was overplayed. Some 105,000 falsified ballot papers against Kuchma were discovered in Lvov Oblast, 190,000 in Ivano-Frankovsk Oblast, and 37,000 in Ternopol Oblast. The list of violations is a long one.

The Central Electoral Commission—which until the last minute did not accept that the results of the first round had been falsified and in the second round delayed announcing the figures for the eastern oblasts that supported Kuchma, providing an opportunity for some sharp practice [podtasovka]—has found itself in a ticklish situation.

The "People's Rukh" of Ukraine is in the most unseemly situation. It was discredited by deciding to support Kravchuk at the elections and to work against Kuchma—"this Ivan Susanin [Russian military hero who led into a swamp the Polish forces employing him as a guide] who will lead Ukraine into the Russian swamp."

Yet Ukraine's political course is hardly likely to alter sharply. Leonid Kuchma will now have to deal with some exceptionally difficult tasks—financial stabilization, boosting production, overcoming the crisis, combating the mafia.... Drafts of corresponding legislative documents are said to have been drawn up already. But it is hardly likely to be possible to achieve fundamental change in a single term—there is enough work for several more generations of presidents.

Kuchma May Be Inaugurated President 19 Jul

LD1307092694 Moscow ITAR-TASS in English 0833 GMT 13 Jul 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 13 July TASS—The inauguration date of the new Ukrainian president is expected to be determined by the national parliament on Friday and the ceremony may take pace next Tuesday at a plenary meeting of the Supreme Soviet [Council], according to preliminary information obtained by ITAR-TASS.

On Thursday [14 July], Leonid Kuchma will receive an official document confirming his election as the president of Ukraine, Valentin Kirnenko, deputy chairman of the Central Election Commission, told TASS today.

At present Kuchma is holding closed-door consultations with his entourage.

Defense Ministry Denies Plot to Assassinate Kuchma

LD1307102794 Kiev UNIAR in Ukrainian 2130 GMT 12 Jul 94

[Text] Kiev, 12 Jul—The Defense Ministry's press service reports that the Russian paper SEGODNYA published an article today under the headline "Bomb in Journalist Mukusev's Luggage: Genuine or False—Yet Unclear." The article contains the text of a copy of a "secret document" allegedly submitted by Major-General Oleksandr Skipalskyy, head of the main directorate for military intelligence, to President Leonid Kravchuk, commander in chief of the Ukrainian armed forces.

In a statement, Ukraine's Ministry of Defense press service points out: "The 'document' talks about an assassination plot against Leonid Kuchma which would be carried out by unidentified hired killers in the event of his victory in the presidential election. It also expresses an opinion that measures to prevent the terrorist act would be inexpedient because of 'Leonid Kuchma's openly pro-Russian views.'

"Ukraine's Ministry of Defense press service is authorized to declare: This kind of 'document' is cheap forgery. The objective of this political provocation is clear: To complicate artificially the situation around the presidential elections in Ukraine and compromise the officials of our state's Ministry of Defense."

Kravchuk To Take Active Part in Building Nation

LD1207180994 Kiev UNIAN in Ukrainian 1630 GMT 12 Jul 94

[Text] Kiev—Ukraine's ex-President Leonid Kravchuk, held a conference with members of his staff on 12 July. Volodymyr Petenko, the ex-president's adviser for military issues, said that this meeting should have been

shown on television for the public to see "with what dignity a man can leave his post."

Viktor Stelmakh, the ex-president's press secretary, said in a conversation with a UNIAN correspondent that Leonid Kravchuk thanked them for their cooperation and called on them to serve Ukraine. What is most important, in Viktor Stelmakh's view, is that the ex-president is not going to leave political life and will take an active part in building an independent and sovereign Ukraine.

The press secretary did not rule out the possibility that Leonid Kravchuk might form a party of a democratic type. "There are such proposals but it is too early yet to talk about it," he added.

Malikov Appointed New Chairman of Security Service

LD1207170294 Moscow ITAR-TASS in English 1618 GMT 12 Jul 94

[Report by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[Text] Kiev 12 July TASS—Colonel General Valeriy Malikov was appointed chairman of Ukraine's security service. The Ukrainian parliament has endorsed Malikov in this post today. Prior to his appointment, Malikov was first deputy chairman of Ukraine's security service.

Malikov, 52, is Russian. He has been working in security bodies for a long time. He began his career as an officer on duty at the KGB department in the Kharkov region. Since 1988 until 1991 Malikov was chief of a KGB department in the Cherkassy region. In 1991 he was appointed deputy chairman of Ukraine's security service and a year later he was appointed first deputy chairman.

Yevgeniy Marchuk, who had been chief of Ukraine's security service, was transferred to the post of the vice-premier a few days ago. In the Ukrainian Government Marchuk has been put in charge of power ministries.

Views Successes, Aims of Service

LD1207220894 Kiev UNIAN in Ukrainian 1930 GMT 12 Jul 94

[Text] Kiev [no dateline as received]—The Supreme Council of Ukraine today approved Valeriy Malikov as chairman of the Security Service of Ukraine [SBU]. Voted in by 226 votes "for," he was the SBU's first deputy chairman prior to this.

In his speech, he underlined that several intelligence and counterintelligence programs were drawn up and were being implemented in order to protect the sovereignty of Ukraine. "There has been a development in cooperation and team work between the special services of Russia, Belarus, Kazakhstan, Germany, the United States, and other states in performing tasks of fighting against international terrorism and drugs trafficking. Certain estimates and forecasts in respect of Ukraine's prospects to integrate in the world and European community, of the situation in the country, and of the phenomena of the crisis in the economy, have enabled us, together with the power-wielding structures, to take timely steps to influence them," said Valeriy Malikov.

He also said that the SBU had successfully thwarted the conclusion of 110 contracts with foreign states worth $897 million that would be unprofitable for the Ukrainian economy, and blocked attempts by intelligence services from a number of countries to organize the import from Ukraine of nuclear, chemical, and rocket technologies and materials, which had averted a potentially damaging blow to Ukraine's international reputation.

The newly appointed SBU chairman stated that the interest of foreign special services in Ukraine was not weaker, with issues of defense construction, the fate of nuclear weapons, the state leadership's foreign and domestic policy plans, up-to-date developments on the subject of rocketry, space and aviation, and in the sphere of tank and ship building at the center of their attention. Valeriy Malikov gave assurances that the SBU was counteracting those intentions and said that, in particular, 16 agents of foreign special services were uncovered, with two of them convicted by a court martial.

Answering questions from deputies, he said that the SBU had submitted for a Supreme Council commission's consideration proposals regarding a mechanism to return foreign currency funds from abroad, and told deputies about the steps that were being taken to find Mykhaylo Boychyshyn [People's Movement of Ukraine activist who disappeared some time ago], and investigate the death of Vadym Boyko, a former Ukrainian people's deputy.

Valeriy Malikov was born in 1942 and is Russian. He graduated from Kharkov State University. He has been with the KGB and then the SBU since 1970, having served his way up from a duty officer to the head of the KGB Directorate in Cherkassy Oblast and later in Kiev Oblast. From November 1991 he was an SBU deputy chairman and from December 1992 the SBU's first deputy chairman.

Security Chief Reviews Antiterrorist Actions

WS1307080094 Kiev UKRAYINSKA HAZETA in Ukrainian 7-20 Jul 94 p 8

[Article by Lieutenant Colonel Viktor Burlakov, chief of the "T" Administration in the Ukrainian Security Service: "As a Result, Hostile Intervention Has Been Neutralized..."]

[Text] The "T" Administration—a subdivision of the Ukrainian Security Service [SBU] central apparatus established in August 1992—and "T" subunits of oblast

administrations were entrusted with the task of defending Ukraine's sovereignty, territorial integrity, and constitutional order against illegal encroachments by foreign nonstate organizations, as well as by domestic groups, organizations, or individuals. Unlike the "ideological subunits" of the former security bodies, the "T" subunits aim not at victimizing citizens because of their political views, but at the protection, within their competence, of human rights, interests of the state and society, and democratic institutions.

The legal basis for actions of the "T" subunits is defined by the Ukrainian Constitution, the Laws "On Security Service" and "On Operational and Investigative Actions," the Criminal Code, the Code of Criminal Procedure, other legislative acts of Ukraine, and appropriate international acts, recognized by Ukraine.

Our operational concern may only be targeted at activities of civil organizations, groups, or individuals in Ukraine or abroad, the initial stages of which bear symptoms of illegal—according to the Criminal Code—encroachments upon Ukraine's statehood, sovereignty, or territorial integrity, political rights or liberties of its citizens, and lives of state leaders or representatives of foreign countries, as well as at activities deemed unconstitutional by the Constitutional Court of Ukraine.

Certain organizations and political circles in neighboring countries have recently been making more and more territorial claims on Ukraine. Moreover, they aim to elevate this issue to the state level. Thus, in 1992-94, the "T" subunits have conducted operations to counter actions of foreign nongovernmental centers and organizations, whose claims pose a threat to Ukraine's territorial integrity.

Our work has revealed an entire range of foreign anti-Ukrainian organizations, whose actions are targeted at certain regions in our state. They are trying to aim at certain national and cultural societies operating in Ukraine, to establish their branches in places heavily populated by ethnic minorities, based on these societies. Moreover, our foes are attempting to provide an official meaning to so-called "territorial problems" involving Ukraine, all the way to denouncing the 1975 Helsinki agreements on inviolability of borders in Europe, explaining that the USSR, which signed these agreements, no longer exists. Additionally, they are purposefully shaping public opinion of specific segments of the population in Ukraine's border regions.

Due to our operational actions, as well as a result of preventive work conducted along with local authorities and in cooperation with law enforcement bodies, the establishment of the aforementioned foreign organizations' branches on Ukrainian territory has been prevented, and attempts to encroach upon its territorial integrity and interference in our internal affairs have been neutralized. In particular, we have prevented actions of certain foreign centers located in neighboring states, which not only attempted to influence the results of the all-Ukrainian referendum in December of 1991, but were later actively establishing their branches and publications in a number of Ukraine's oblasts. Further efforts by these organizations to interfere in Ukraine's domestic affairs are under operational control.

Our service, which employs (I can confirm this) Ukrainian patriots, has acquired data indicating that a number of nongovernmental institutions from foreign states have been attempting to create a mechanism for interfering in our internal affairs through the influence and control over the development of political structuring of our society. In cooperation with authorities we have taken measures to block attempts by these foreign centers.

Thus, intelligence collected in 1992-94 confirms that, in plans for inflaming separatist moods, a significant role is reserved for certain foreign clerical circles and religious organizations, which have a great number of supporters among Ukrainian citizens. Certain categories of like-minded people are being searched in Ukraine through these circles and organizations, to raise and constantly provoke autonomist moods and inspire group manifestations of ethnic and religious discontent.

We have disclosed many attempts by certain foreign missions, charitable and other organizations operating in Ukraine, to establish networks to collect intelligence. There is a method of introducing pseudo religious, paramystic denominations in certain groups of society. Due to the possibility of damage, law enforcement bodies have been taking the required steps with regard to such activities.

For instance, SBU, in cooperation with the militia units, has detected and seized a great number of firearms and ammunition with members of the so-called "White Lotus" organization from Cherkassy, which was operating under the cover of the Buddhist community, and as a result, one of the leaders has been brought up on criminal charges according to Article 222 (part 1) of the Ukrainian Penal Code.

In cooperation with the Interior Ministry bodies, the plans to destabilize the situation in the state, with the help of openly provocative actions of the "Great White Brotherhood" sect leaders, were prevented in Kiev last November.

As a result of measures taken in time in cooperation with authorities and law enforcement bodies, 67 cases of physical clashes between religious groups have been prevented, and in Dnipropetrovsk, Mykolayiv, Kherson, and Khmelnytskyy Oblasts, preconditions for the eruption of ethnic conflicts have been located.

The illegal activities of F., a resident of Kharkov, aimed at inflaming anti-Semitic sentiments, have been uncovered and halted, with the help of the Attorney's Office, by bringing him up on criminal charges. Other steps have also been taken to prevent and locate signs of anti-Semitism. In particular, the SBU Odessa Oblast Administration has officially warned citizen P., who attempted

to establish a group of supporters of a foreign chauvinistic organization to conduct anti-Jewish actions.

Also increasing are activities of certain organizations from developed countries, aimed at establishing a system of searching, testing, and selecting scientists and other highly skilled specialists, to convince them to work abroad. This is aimed at establishing a long-term mechanism for exporting our intellectual foundation out of Ukraine, which is one of the most dangerous forms of disorganizing the scientific and economic potential of our state. Alongside scientists who emigrate abroad, we are disposing of the results of research carried out by entire staffs. The "T" subunits, within their competence and in cooperation with other authorities, are taking measures to stop this phenomenon.

The laws regarding state service and secrets, which have recently been passed, have allowed us to more effectively fight against this evil. The adoption of a law on preventive measures would also be conducive to that effect. Nevertheless, we are aware that without a suitable climate within society and patriotic education, neither repressive nor preventive measures can stop this process.

The "T" Administration and regional "T" departments are paying special attention to preventing acts of international terrorism in Ukraine, the danger of which has recently increased significantly. Let us concentrate on certain facts.

Among foreigners who come to Ukraine for a long period to study or conduct business, as well as in the tide of refugees, more than 90 supporters of political organizations, which use terrorist methods in their actions, have been discovered. There has been intelligence collected concerning their attempts to set up branches in Ukraine, and to establish channels for deliveries of weapons and explosives.

Due to the steps that have been taken, we have managed to prevent a member of such an organizations from carrying out bomb attacks in our country's airplanes used to transport immigrants. Individuals of the aforementioned category have been prevented from conducting actions against a foreign diplomatic mission.

In the battle against international terrorism and detection of channels for arms deliveries, we are establishing cooperation with foreign special services. In particular, we have uncovered the perpetrators of a terrorist attack against a diplomat in one of our neighboring countries, and we have helped in the search for them.

Along the Interior Ministry bodies, the Border Troops, the Customs Services, and local authorities, "T" subunits have taken steps to stop and prevent infringements of the law, as well as to prevent foreigners from bringing their political, religious, and ethnic conflicts to Ukrainian territory. In 1993 aione, we uncovered 16 cases of conflicts among foreigners, which could have harmed Ukraine's international interests.

The increasing deterioration of life can bring about threats of social unrest, which could case significant disarray in the state system. The number of extremist acts is dramatically increasing. Thus, despite preventive, administrative, and other measures taken in cooperation with other law enforcement bodies, the number of violent acts against representatives of all branches of authority continues to increase, given the deterioration of economic, social, political, and crime-breading situation. In 1992, 110 such acts were disclosed, in 1993—179, and in 1994—106, so far. Among them, 106 have been such crimes as shootings, arson, explosions, or physical abuse. As a result, eight people have been killed and 34 injured, including five people's deputies killed and seven injured. The majority of these crimes have been connected with attempts on the lives of deputies and representatives of the executive branch at the oblast and lower levels. During the latest election campaign for Ukraine's people deputies, for example, 40 crimes and threats against candidates for people's deputies were registered.

In 1992-94, we have investigated 203 such crimes in cooperation with other law enforcement bodies. As confirmed by our investigations, living conditions and disappointment with official duties were the primary motives behind these crimes. One hundred and fourteen people have been brought up on criminal or administrative charges; with regard to 86 of those cases, preventive methods have been used.

The "T" subunits do not disregard attempts by criminals and ultra radicals to acquire firearms, ammunition, or explosives. Whereas 187 thefts of weapons from storage facilities were reported in 1993, in the first four months of this year there have been 114 such acts. A new aspect in this sort of crime is the increasing number of large-scale thefts of weapons and heavy weapons, including antitank missiles, missile launchers, and grenade launchers. Another acute problem is the trafficking of weapons to Ukraine, particularly, from the Cisdnestr region and the Caucasus.

Taking into account the danger stemming from illegal possession of arms, possible use of them during terrorist acts, and other grave crimes, the SBU bodies along with the Interior Ministry subunits, have seized from criminals and other citizens more than 3,660 weapons, almost 500,000 rounds of ammunition, and 250 kg of explosives during operations conducted in 1992-94.

Plus, in accordance with current legislation, in 1992-94 the "T" subunits, in cooperation with other law enforcement bodies, have taken measures to prevent anticonstitutional actions by civil associations and political groups, or some of their radical members, which, in their platforms, statutes, or plans, advocate forceful methods in the battle for power.

Our analysis confirms that this threat is increasing, as certain civil organizations try to more actively engage a

significant number of people, especially young, in activities of paramilitary groups. They are united by strict discipline, conduct combat training, and are trained in the use of weapons. Thus, people capable of carrying out attempts to seize power in Ukraine are being trained.

I believe that sending members of the well-known Ukrainian National Self-Defense organization to military conflicts in the Cisdnestr region and Georgia, as well as attempts to send them to Yugoslavia and Tajikistan, were damaging to Ukraine. Certain leaders mistakenly regard this as the protection of Ukrainian interests, yet similar actions played into the hands of foreign centers, which aimed at entangling Ukraine in military conflicts and damaging its image as a peaceful state.

Preventive measures have been taken to locate provocations, actions, and other transgressions of the law by a few neo-Nazi and neo-Stalinist organizations, which have attempted to noisily make their existence known and increase the number of supporters through blatant actions. We follow the assumption that the establishment and activities of extremist groups pose a threat to peace and stability in Ukraine, given the current economic crisis and other hardships in the process of building the Ukrainian state. In this situation, even a small extremist group can provoke ethnic or religious clashes, prompt the use of force or weapons, and trigger large-scale acts of civil disobedience.

Therefore, we conduct operational work not in parties, civil organizations, or religious groups, but against specific illegal phenomena, to prevent possible crimes against the state and its constitutional order. The best indicator of work of all operational subunits, including the "T" Administration and its regional departments, is to uncover and prevent illegal activities, with the help of specific powers granted to us by virtue of law. The fact that no forceful conflict has so far erupted in Ukraine, despite the hopes of our adversaries, is a contribution of the SBU as a whole, and a humble share of the "T" Administration and its departments in particular.

Officials View 'Flow' of Reserves to Crimea

WS1307091594 Kiev KIYEVSKIYE VEDOMOSTI in Russian 5 Jul 94 p 4

[Report by Irina Titova: "Ukrainian Capital Legally 'Flows' to Crimea"]

[Text] Let us recall the essence of [Crimean President] Yuriy Meshkov's edict on currency regulation. Any currency can circulate freely in the Crimea, that is, all non-budget payments can be made in foreign currency. The Republican Foreign Currency Fund and the Interbank Currency Stock Exchange are currently being set up. Before participating in a bid, enterprises are obliged to sell 50 percent of their foreign currency reserves at the market exchange rate or transfer a specific amount of tax to the state budget. This is what all industrialists and entrepreneurs of Ukraine have been dreaming about. The edicts were adopted in April. It is now July, however. Over a period of four months, billions of karbovanetses have been transferred to the accounts of Crimean banks. Has the investment fund been filled? Careful evaluations by experts conclude that, in fact, there are no potential areas for investment. There are 26,000 square km and some 3 million people in the Crimea. The key area of specialization is agriculture. The Crimea, produces, however, fewer agricultural products than Poltava Oblast. It accounts for a lower volume of industrial output than, let us say, Lugansk Oblast. Only a few natural resources have been discovered to date in the Crimea. There is, virtually, no coal, oil, or gas. A considerable amount of energy is received from the Zaporozhie nuclear power plant [on mainland Ukraine]. Crimean residents can feel shortages of electricity and drinking water. The key sector—in which the Crimea specializes—is the running of health resorts. The service infrastructure is quite developed. This is considered to be a promising direction for investment. Given such conditions, profits from investments could only reach several hundred million dollars. Therefore, there is no point speaking about investments amounting to billions in foreign currency.

The unstable political situation should be taken into consideration as well. Capital will never seriously begin bringing profit in those areas where trouble is brewing, or, to put it more clearly, which are endangered by "military conflicts." This is the viewpoint of Oleg Sorokin, deputy director of the Institute of the Global Economy and International Relations at the National Academy of Sciences. "The Crimea has no economy. Transferring money from one bank to another is dangerous and unprofitable. Wishes are taken for reality. Capital does not flow anywhere. Measures undertaken by the Crimean president and entrepreneurs should be regarded as no more than a declaration saying that they can no longer tolerate violations of tax laws or chaos in circulation of currency. Such developments are, however, dangerous. Other cities, alongside the Crimea, Kharkov, Lugansk, western Ukraine, Odessa, Kherson—based on the president's edict on eastern oblasts—can proclaim an independent policy. The banking infrastructure in the Crimea is also not developed. One way or another, all payments are fulfilled through the National Bank of Ukraine [NBU] and their transference is registered in Kiev. Reserves will not go through the Crimea. At best, they will be used by shadow businesses. The Crimea will not become a Mecca for money laundering either. Who wants to run extra risks if there are already safe and verified routes across Germany, Austria, Hong Kong, or Singapore? In my opinion, the alleged flow of capital is rather cooked up."

NBU demonstrates enviable patience. It has not undertaken any steps. Aleksandr Sharov, former deputy chairman of the NBU board, believes that a political wait-and-see game is under way. The government has not yet been formed; the president will have to be elected in the upcoming presidential runoff. Had the NBU—

which is outside of politics—undertaken stringent measures, this could have been misunderstood. Official Kiev could close down correspondent accounts in Crimean banks, repeal their licenses to handle foreign currency, and law-abiding foreigners would have immediately suspended their illegal entities. Such moves, however, can be called financial war. No one wants to overstep their bounds...

"My reaction to Meshkov's edicts—which are virtually illegal—coincided with the official position on this issue. They [Crimean leaders] have made a mistake by launching reforms this way. There are certain political forces in the Crimea that prefer confrontation any time they want to undertake constructive moves. It could be proposed that NBU conduct an experiment by formulating a more liberalized policy regarding banks, foreign investment, and currency regulation in the Crimea (no one, incidentally, knows exactly what a free banking zone means, however, many people use this term). NBU could go this way. If the experiment is a success, it could spread across Ukraine. We are, however, currently watching from the sidelines how the reserves are being legally transferred elsewhere. These funds are not transferred abroad and any sanctions against such activities simply make no sense," says A. Sharov. Ukrainian Financial Group President Valeriy Babych agrees that it is impossible to retrieve the reserves which have been transferred to the Crimea. The only way out is to do this by force of arms. Banks are quickly establishing their legally independent subsidiaries in the Crimea, and the companies are transferring their resources (this is registered in the correspondent accounts of Ukrainian banks in the Crimea). No one can, however, prove the illegal nature of these actions and the flow of reserves from Ukraine. "The Crimea is expertly outsmarting Ukraine in financial aspect. Meshkov's move is an ideal economic blow below the belt," he adds.

The majority of experts still consider that, for a while, Kiev is not in danger of remaining without reserves. In the future, when Meshkov's edicts come into real force, when a stock exchange and a central bank are opened in the Crimea, Kiev will face enormous problems. A worrying symptom, nonetheless, has emerged. Stock exchanges receive less foreign currency for sale because it is more profitable to transfer foreign currency to the Crimea and pay tax than to sell 50 percent of reserves at the official exchange rate. Any sane businessmen will take advantage of this opportunity. Foreign currency indeed, remains on the peninsula. Is there a way out?

Stock Exchange Committee Chairman Vadim Getman recalls: "A similar situation occurred in Russia. We should either immediately introduce special accounts or agree to the contrary—live with the current state of affairs, allow the concentration of reserves in the Crimea, and gain profits from this small Hong Kong." The Crimea is successfully filling its banks with reserves, while we cannot do this. We can, of course, pretend that nothing bad is going on, just close our eyes and not dramatize the situation. Lately, however, the situation has changed. In a rather peculiar way. It is really difficult to say whether or not reserves are being invested in the Crimean economy and, if they are invested, we cannot say where. Yes, the Crimea does not have its own banks, which could "digest" enormous sums of money. The banking network in the Crimea is feeble and underdeveloped. We cannot, however, ignore the considerable interest by Russia in the peninsula and immense expertise of Russian banks. Those who came with Yuriy Saburov are really attracted by the idea of establishing an off-shore banking zone in the Crimea. Something resembling Cyprus is being planned. Many Ukrainian businessmen, who are worried about the lack of guarantees here, are transferring reserves to the Crimea because it will be easier "to transfer" them elsewhere later. Either to Russia or Cyprus. Three subsidiaries of Russian banks (including the largest "National Credit") have been established in Sevastopol. The Crimea has become a staging ground. Businessmen act like a watchdog: No investments in either Ukraine or the Crimea, since when a fire begins it is better to be standing near an open door to escape quicker. To where?—Cyprus or Russia—is a secondary question. Ukraine, in either case, will be duped.

Crimean Communists Urge Preservation of Soviet System

WS1307100094 Simferopol KRYMSKAYA PRAVDA in Russian 6 Jul 94 p 1

[Unattributed report: "Three Primary Questions"]

[Text] Our editorial board has received a document reflecting the position of the Communist Party of Crimea [KPK].

The KPK Republican Committee Presidium, the document reads, in analyzing the current situation in Ukraine and the Republic of Crimea, notes that the relative financial stabilization, given the continued decline in production and effective demand, is merely of a temporary, artificial nature. Despite the fact that the introduction of world prices for energy sources has eliminated the external sources of inflation, the internal sources continue their destructive influence. A further deterioration of the current crisis and even worse impoverishment of the people are inevitable, which can lead to social unrest. In this situation, a search for ways to prevent the menacing catastrophe, should become the main task of Crimea's political forces and authorities, including the Supreme Council and the president.

To reach a mutual understanding between authorities and political parties, it is essential to set out a strategic course for the development of our Republic. The KPK Republican Committee Presidium considers it necessary to reiterate its standpoint on the following three primary questions, which define this course regarding:

—The geopolitical course of the Republic of Crimea;

—The system of authority;

—Socioeconomic relations.

I. KPK, remaining a convinced supporter of the restoration of unified statehood, is ready to uphold any specific steps aimed at unification of the brotherly republics. The Communists are against the catastrophic path leading to further ruin of Russia, Ukraine, and other republics, and against the encroachment on the principle of their integrity, since there is a legitimate path toward their unification, based on the rejection of the Belavezha agreement and search for a mutually admissible form of their unification in an economic, military, and political union.

II. KPK attaches special importance to the protection of the Soviet system, as the highest form of popular rule. Moreover, it emphasizes that although the Soviet system needs further development and reforms, and this form of the people's rule must be filled with genuinely socialist and democratic contents, the eventual goal of reforming the Soviet system is transition from rule in the name of workers, which took place in the past, to the rule of workers themselves. KPK consistently stands for the idea that city and rayon council chairmen be elected by the entire population of a city or rayon, and it advocates a clear division of the representative and executive bodies' functions, and accountability of executive authorities to the Soviets.

III. KPK believes that the law-governed nature of social development requires a socialist orientation in the economic course of the Republic of Crimea and other brotherly republics. This socialism, however, disavows state authoritarianism, the command-administrative system of economic administration, secret personnel policy-making, etc.

Taking into account the current economic situation as the foundation of the economy, the Communists see a mixed economy with a dominating role for public property and state administration, which provides realistic grounds for civil accord, demanding that the interests of various sectors of society—ranging from workers to national entrepreneurs—be taken into account. Nevertheless, the Communists categorically oppose the total ruin of public property.

Presenting its standpoint with regard to the three primary questions, the KPK Republican Committee Presidium states that it believes that this standpoint allows us to reach a mutual understanding and consolidation among political parties, authorities, and the Crimean president, while coordinating their viewpoints.

Finance Minister Views Need To Revise Taxation Practices

AU1307084794 Kiev HOLOS UKRAYINY in Ukrainian 8 Jul 94 p 2

["Exclusive" interview with newly appointed Minister of Finance Petro Kuzmovych Hermanchuk by HOLOS UKRAYINY correspondent Leonid Brovchenko in Kiev on 6 July: "Even Mountains Can Be Moved by Joint Efforts"]

[Text] We present a key figure in the Cabinet of Ministers—new Finance Minister Petro Kuzmovych Hermanchuk. He was born in Kiev Oblast's Makarivskyy Rayon. He started his labor biography as a worker at the Kiev "Tochelektroprylad" [precision electric instruments] plant, then served in the [Soviet] Army in Novaya Z emlya and Semipalatinsk. Later, he worked at the "Chervonyy Ekskavator" [Red Excavator] plant and studied at the Kiev National Economy Institute. After graduating from the Institute, he worked as an inspector at the Kiev Oblast Finance Administration, chief of administration at the Oblast Executive Committee, deputy chief of the Kiev Oblast Finance Administration, chief of the administration at the Ministry of Finance, deputy and first deputy minister of finance. A few minutes after being approved as finance minister, P. Hermanchuk granted HOLOS UKRAYINY a brief interview.

[Brovchenko] Petro Kuzmovych, what has been planned to change in the taxation policy?

[Hermanchuk] I must say that today's taxation policy does not boost production and does not promote reform processes. That is why everybody agrees that profit must be subject to taxation. However, this can only be implemented starting from 1 January 1995. Because a change in the taxation legislation today will create great inconveniences for all: Both for tax-payers and for the government.

[Brovchenko] Today, there are many justified complaints about the value-added tax.

[Hermanchuk] Right. That is why it is necessary to reduce the rate of the value-added tax and revise taxation: Where taxes cause objective price increases and remove the circulating capital of the enterprise, it is necessary to revise the deadline approach, the procedure, and the mutual relations between the tax-payers. In short, the approach to this tax must be differentiated. Nor is everything in our country all right with the excise duty. With the large excise duty, we have practically buried the television- manufacturing industry. Due to the high price, our television sets have become uncompetitive on the market. There are also many problems with the taxes imposed upon citizens.

[Brovchenko] I hope that, in order to resolve that question, it will not be necessary to wait until 1 January 1995?

[Hermanchuk] This may be revised when the budget for the first half-year is detailed. Today, along with the elaboration of the taxation policy, it is necessary to immediately start forming a budget for the future, first and foremost for the year 1995. Unfortunately, over the last three years, we have been adopting the budget for the current year during that same current year and with a great delay. This causes great inconveniences. It is necessary to clearly elaborate a system of budget fulfillment in cash terms in accordance with the expense statement. There must be a system. We, government officials, must more closely cooperate with Supreme Council commissions and with people's deputies. Then they will know more about our problems, our approaches and our vision of particular problems. Even mountains can be moved by joint efforts.

Belarus

Lukashenka Denies Being 'Belarusian Zhirinovskiy'

LD1207190194 Moscow Russian Television Network in Russian 1600 GMT 12 Jul 94

[Video report by correspondent L. Sviridov; from the "Vesti" newscast]

[Text] Alyaksandr Lukashenka, who has won a resounding victory over Vyacheslav Kebich in the presidential elections, is getting ready for his first news conference in his new capacity. In an exclusive interview to Vesti, Alyaksandr Lukashenka voiced his bewilderment over the fact that the Russian media are persistently calling him a Belarusian Zhirinovskiy.

[Begin Lukashenka recording] After all, I am not going to move our southern borders to the Mediterranean or, moreover, to blow Chernobyl dust by powerful fans on the western border to Western Europe or Russia. So this is how I differ from Zhirinovskiy. I respect the Russian people's choice, on the whole, and if the Russian people have supported Zhirinovskiy today, no problem, this is your domestic issue in which I would not like to interfere. [end recording]

[Sviridov] Meanwhile, until the president is sworn in, Supreme Soviet Chairman Mechyslaw Hryb remains the country's highest official. According to the parliamentary press service, today Lukashenka and Hryb spoke on the telephone and discussed a possible date for holding an extraordinary session of the Supreme Soviet where the first Belarusian president will be sworn in. The session is likely to be held between the 20th and 25th July, but the precise date will be announced by the Supreme Council presidium tomorrow.

Statement Prior To First News Conference

LD1207204794 Moscow ITAR-TASS World Service in Russian 1847 GMT 12 Jul 94

[Report by ITAR-TASS correspondent]

[Text] Minsk, 12 Jul—"For me personally, it is not only an expression of the people's trust, but is the supreme responsibility to the citizens of Belorussia [Belarus]. I thank the voters and hope that I will manage to justify their choice through my work." This statement was made today, at his first news conference, by Alyaksandr Lukashenka, who has been elected president of Belorussia, before he answered journalists' questions.

"I understand that the election of the president in a country that is a founder member of the United Nations and an inheritor of the nuclear status of the Soviet Union cannot be a matter of indifference to the world community. That is why I consider it essential to dwell on the following:

In foreign policy, the president's actions will be guided primarily by our economic interests that lie in establishing economic links with Russia and the other CIS countries, in attracting foreign investment and in turning Belarus into a full subject of the world economic system.

Belarus was the first country in the world to renounce the possibility of real possession of nuclear weapons. I confirm my country's desire to implement the obligations that it has undertaken in accordance with previously concluded treaties.

The president of the Republic of Belarus will defend the Constitution and the laws of the Republic and act as guarantor of its statehood and security.

All the problems that have built up in the country over the recent period will not disappear with the election of the president. We have a difficult inheritance and that is why I see my main task as being to carry out the program for which the people voted for on 10 July. It will be necessary to to start work immediately to stabilize the financial system, to continue talks with Russia on preparing a full-blooded treaty on economic union, possibly taking into account the political changes that have taken place in Ukraine.

At the first session of the Supreme Soviet after I take up my post as president of the Republic of Belarus, candidates for the posts of prime minister and other members of government that, in accordance with the Constitution, require the approval of the Supreme Soviet will be put forward for examination by the Supreme Soviet. The process of reforming the government cannot be carried out in a single moment. Therefore, until the official appointment of new people to various posts all officials will continue to carry out their duties and bear personal responsibility for this before the Belarussian people. I regard all statements about resignations without observing the appropriate procedures as political declarations about the intentions of individual persons.

It must be understood that nothing out of the ordinary or liable to unsettle all of us happened on 11 July. The Republic is continuing to live its normal life; the state apparatus and heads of enterprises should also continue to carry out their functions as normal, ensuring the appropriate discipline and order.

Ahead of us lies heavy and painstaking work for all of us to do together; and to achieve this it is essential to maintain civic peace and accord in the Republic of Belarus. The burden of overcoming the crisis is a burden on each of us. The president's burden will be the most difficult; I promise to carry out my duty to Belarus and its people honorably," Alyaksandr Lukashenka said in conclusion.

Lukashenka News Conference

LD1207210294 Moscow ITAR-TASS World Service in Russian 1945 GMT 12 Jul 94

[Report by BELINFORM correspondent Vladimir Hlot and ITAR-TASS correspondent Larisa Lazar]

[Text] Minsk, 12 Jul—"Until yesterday I had no idea of how bad the economic situation in Belorussia [Belarus] is," President of Belarus Alyaksandr Lukashenka stated today, answering journalists' questions at his first news conference.

According to him, there is not a single ruble in the country's budget. By artificially restraining prices before the elections the Kebich government did great disservice to the president and the new government. Prices might rocket in Belorussia: "We cannot do without Russia's help here," the president said. "I am going to have a telephone conversation with Boris Nikolayevich Yeltsin tomorrow morning and we shall speak about this problem as well."

The president went on to announce that earlier in the day he had met Parliament Speaker Mechyslaw Hryb and Prime MInister Vyacheslav Kebich, who has resigned. It was decided to ask the Presidium of the Supreme Soviet, which sits tomorrow, to hold an extraordinary session of parliament on 20 July. At this meeting Alyaksandr Lukashenka will be sworn in and will name the candidature of the new head of government. Incidentally, under the Belorussian [Belarusian] Constitution, the prime minister is proposed by the president but he must perforce be ratified by the Supreme Soviet.

In this connection a BELINFORM correspondent asked the president if he did not fear that the 236 deputies who had once signed in support of Vyacheslav Kebich as presidential candidate might go over to the opposition to the president.

"No, I do not fear that," Alyaksandr Lukashenka replied. "Let parliament think harder about how to cooperate with the president. I am convinced that we shall find mutual understanding." He added that he would not initiate early elections to the Supreme Soviet, although personally as a deputy he considered that parliament should keep the promise it had made to the people and hold early elections.

The president of Belorussia again confirmed his orientation toward Russia, and once more stressed: "I am a supporter of a Belorusso-Russian agreement on the lines of September 1993." In his opinion this option was "lost" for the benefit of several stages of Vyacheslavl Kebich's election campaign. "We shall try to reach agreement with Russia," the president stated. "If it does not work out we shall seek an alternative option, but I think it should work out with us."

What does Alyaksandr Lukashenka think about the restoration of the Soviet Union? Answering this question, the president remarked that he condemned the Belovezhye accords "because their final consequences had not been estimated" but, at the same time, "I am a realist," Aleksandr Lukashenka stressed. "It is unrealistic to restore the USSR today; let us solve economic problems together and then life itself will show what to do in the future. It has proved impossible to solve the problem from the top, so we shall look for a solution from below." It was announced at the news conference that the Belorussian president had received congratulations from Boris Yeltsin, Mircea Snegur, Nursultan Nazarbayev, and many other politicians of the near and far abroad. Alyaksandr Rygoravich [Lukashenka] told journalists that tomorrow morning he is going to invite Boris Nikolayevich Yeltsin to attend the inauguration in Minsk on 20 July.

Incidentally, according to Alyaksandr Lukashenka, his representatives has met practically all the groups of the Russian State Duma, including the agrarians, the Communists, the Liberal Democratic Party, and "Russia's Choice," and found mutual understanding with everyone. "I regard Russia's entire leadership as my allies," Aleksandr Lukashenka said in conclusion.

Party Leaders, Legislator on Lukashenka Victory

WS1307090594 Minsk Radio Minsk Network in Belarusian 1600 GMT 12 Jul 94

[Text] BELINFORM correspondents have asked well-known Belarusian politicians to comment on the results of the presidential elections.

Vasil Novikaw, Communist Party secretary and former candidate for president: It is hard to say what Alyaksandr Lukashenka will introduce into the life of the Republic as the first Belarusian president. [Words indistinct] he must be still coming to terms with his new post. One thing is clear—there will be changes. As for what kind of changes those might be—that question remains unanswered.

In the opinion of Alyaksandr Sasnow, chairman of one of the parliamentary commissions, Lukashenka's moves are hard to predict because he is a very unpredictable person, which is a very bad quality for a president. The commission chairman believes that Lukashenka may try to keep some of his promises, however life will soon cause him to realize the need for economic reform.

In Ukraine, unlike Belarus, two serious candidates took part in the second round of elections, both having experience in ruling the state. That is why the results of the elections [in Ukraine] were bound to be better, regardless of who the actual winner was, points out Alyaksandr Dobrovolskiy, chairman of the United Democratic Party of Belarus. In his opinion, the outcome of the elections in Belarus was due to the fact that as time went by there were no changes in the Republic. The Belarusian people voted for such changes and elected the

man who delivered the most radical speeches. Still, continues Dobrovolskiy, the actions of the newly elected president will hardly be radical.

Popular Movement Excludes Communists, Welcomes Lukashenka

WS1307082894 Minsk BELAPAN in Belarusian 0630 GMT 13 Jul 94

[Text] The Coordinating Committee of the Popular Movement of Belarus [NRB] resolved at its session on 12 July to exclude the Communist Party of Belarus [PKB] and the Lenin Young Communist League of Belarus from the NRB and their representatives from the Coordinating Committee. A relevant statement notes that these measures were adopted with regard to the PKB and the Lenin Komsomol for their "destructive activities aimed at actually splitting the left-center bloc." In addition, the Coordinating Committee of the NRB welcomed "the overwhelming election victory of a representative of... the left-center forces."

Vice Premiers Resign; Cabinet To Follow

LD1207114694 Moscow INTERFAX in English 1109 GMT 12 Jul 94

[Text] On the morning 12 July, following the resignation of Belarussian [Belarusian] Prime Minister Vyacheslaw Kebich, all of the vice premiers also resigned. At 1600 Moscow time, the Cabinet is to announce its resignation, given the election of Alyaksandr Lukashenka to the post of president, a source in the government told INTERFAX.

Kebich was Lukashenka's rival during the presidential elections, the second round of which took place on 10 July.

The same source said that pending the formation of a new government the current Cabinet would continue to perform its duties.

In accordance with the Belarussian constitution, candidates to the posts of prime minister, vice premiers and power ministers are proposed by the president and endorsed by parliament.

On Tuesday, Lukashenka and Parliament Speaker Mechyslaw Hryb are expected to fix the date of the parliamentary session during which Lukashenka will be sworn in.

A source close to Lukashenka said that during a press conference on Tuesday evening, Lukashenka is likely to announce members of a new government. In an interview with INTERFAX the source gave to understand that Lukashenka was considering the possibility of appointing either current vice premier and economics minister Syarhey Linh, or Belarussian Ambassador to Moscow Viktor Danilenko to the post of prime minister.

The president's staff is likely to be headed by leader of Lukashenko's organizing committee Leonid Sinitsyn and the president's press service by ex-chairman of the Youth Union Alexander Feduta.

Hryb Comments on Monetary Merger, Government

LD1207135494 Moscow INTERFAX in English 1334 GMT 12 Jul 94

[Text] Chairman of the Belarussian [Belarusian] parliament, Mechyslaw Hryb, has said that the April agreement to unite the monetary systems of Belarus and Russia, which was signed by Viktor Chernomyrdin and Vyacheslaw Kebich, does not suit the Republic.

In an exclusive interview with INTERFAX, he said that without its own monetary and credit policy, Belarus' independence would be under question.

Hryb reaffirmed his adherence to the close economic union between Belarus and Russia and stressed that he was an opponent of the political unification of the two countries. "I stand for the sovereignty and independence of Belarus," he said. He believes the banknotes of the National Bank of Belarus now in circulation "do not hamper economic union with Russia. The state must have only one monetary unit," said Hryb.

He said that on Wednesday afternoon the parliament presidium will hold a meeting to consider holding an emergency session of parliament. It will specify the date and the inauguration ceremony of the first Belarussian president, Alyaksandr Lukashenka. The ceremony, Hryb said, will take place between 20-25 July.

Referring to his Tuesday telephone conversation with Lukashenka, Hryb quoted the president elect as being against any delay to the inauguration ceremony, since the present government had declared its resignation.

HrYb said that despite the statement by Prime Minister Kebich to the effect that the government was stepping down, it will continue to work until the parliament accepts the resignation.

Having admitted that his attitude to Lukashenka was mixed, Hryb said that while working with the president, he would stick closely to provisions of the Constitution.

Hopes for Good Rapport With Lukashenka

LD1207163494 Moscow INTERFAX in English 1512 GMT 12 Jul 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] Speaker of the Belarussian Parliament Mechyslaw Hryb in an interview with INTERFAX on Tuesday [12 July] said he would strictly abide by the constitution in his relations with the country's first ever President Alyaksandr Lukashenka hoping that the latter would

adhere to the same principle. The Speaker admitted to having had a mixed relationship with Lukashenka before.

Hryb said the inauguration of the President-Elect would be held between 20 and 25 August describing this timespan as being optimal for calling a special parliamentary session to swear in the new head of state. Referring to a telephone conversation with Lukashenka on Tuesday, the Speaker said the President-Elect was opposed to delaying the inauguration given that the incumbent government had announced its resignation. He said that with the old government gone, the country might become ungovernable something that should not be allowed to happen. At the same time, Hryb said that despite Kebich's announcement of stepping down as Prime Minister, his government would continue in charge until its resignation was accepted by parliament. IF Note: All of the Vice Premiers resigned after Kebich stepped down on Tuesday morning. An official announcement of government resignation is due to be made at 1600 Moscow Time, a government source told INTERFAX. Kebich was defeated in Sunday's run-off for the presidency against Lukashenka.

The Speaker does not rule out that the parliament may reject a new cabinet to be proposed by Lukashenka soon. He says that the existing law does not allow or ban the activity by acting government members appointed by the head of state but not approved by parliament. IF Note: Lukashenka is expected to announce a new cabinet at a news conference in Minsk late on Tuesday, a presidential source told INTERFAX. He made it clear that incumbent Economics Minister Sergey Linga and Belarussian Ambassador to Moscow Viktor Danilenko were the two likely candidates for the premiership.

Hryb reaffirmed his commitment to a closer economic union with Russia though being opposed to a political union. "I support the country's sovereignty and independence," he said. In his view, the existing national currency unit does in no way hamper an economic union with Moscow. "There must be a single currency in the state," Hryb said.

He described the April deal on a monetary union with Russia as being unacceptable to Belarus. The absence of its own monetary and crediting policies will put the country's independence to question, Hryb believes.

Ongoing Monetary Merger Talks Viewed

WS1107144394 Minsk ZVYAZDA in Belarusian 5 Jul 94 pp 1, 3

[Report by Ihar Sinyakevich: "Monetary Merger Is One More Attempt To End the Deadlock"]

[Text] Russian Prime Minister Chernomyrdin and Belarusian Prime Minister Kebich signed three intergovernmental agreements on the status of Russian troops on Belarusian territory, joint Chernobyl cleanup measures, and implementing the monetary merger at the "Zaslavye" government residence on 3 July.

Official delegations from all of the CIS states and Lithuania were in Minsk on 2-3 July on the occasion of the 50th anniversary of Belarusian liberation from fascist occupation. The Lithuanian delegation was headed by President Algirdas Brazauskas. Delegations from Russia, Ukraine, Kazakhstan, and Kyrgyzstan were headed by prime ministers; from Moldova and Georgia—by legislative chairmen. The other states were represented by either deputy prime ministers or deputy legislative chairmen.

The Belarusian leadership met and spoke with virtually all of the delegations, however, the most fundamental negotiations were held with the Russian delegation. In addition to Prime Minister Viktor Chernomyrdin, Russian Central Bank Chairman Viktor Gerashchenko and Deputy Prime Minister Aleksandr Shokhin also participated in the talks. The key issues, which were raised during the talks, were the monetary merger and the 750 billion [currency not specified] loan by Russia to Belarus.

As was expected, no considerable progress, in my opinion, was achieved. Russia refused to loan the 750 billion to Belarus in the second half of 1994. As A. Shokhin said, until a 150 billion credit for the first half of 1994 is realized, there is no point in speaking about any new credits. I will remind you that Belarus has received only 20 billion of the 150 billion recently earmarked by Russia for Belarus: Russia is very careful about its budget and it is very difficult to receive money from Russia even within the framework of an already issued credit. The Russian side, in addition, thinks that when the monetary merger is realized, it will not have to issue any credits to Belarus at all.

The Belarusian side raised the question of signing an interbank agreement which could regulate the printing of money in Belarus and repudiate the notorious clause No. 5 of the 12 October Treaty, which contradicts the Constitution. No progress on this issue was, however, achieved. According to Russian Central Bank Chairman Viktor Gerashchenko, Russia is continuing to insist on one center for printing currency—the Russian Central Bank. "There cannot be any other considerations on the issue. We could try to find such an external form which would not offend anyone. The essence of this matter, however, is understandable to all. I believe that our traditional partners realize this. There are certain complications of an external nature. In my opinion, they can be resolved: There are no such fortresses that we cannot take," said V. Gerashchenko. The Russian Central Bank chairman said that "the issue of the legal-constitutional nature, incidentally, arises. It is clear that we should not suggest anything to anyone. We have enough problems with our Duma which thinks [Duma comes from "dumat" which means "to think"] rather than adopts decisions. Our wish, nevertheless, is to move toward the economic and monetary union." V. Gerashchenko stated

that there is an understanding with the Belarusian side regarding the community of aims, while the moves to merge the monetary systems are, first of all, of a geopolitical nature and only later will they reflect socioeconomic aspects. The Russian Central Bank chairman avoided giving a direct answer to the question as to when the monetary merger will be implemented.

Answering the question regarding the negotiating progress, V. Gerashchenko asked "Why are you saying progress? What do you mean by progress...?"

The aforementioned interbank agreement was not signed during Sunday's talks. Only a protocol stating the following was signed: "By 20 August 1994, the sides...will define how the Russian Central Bank will implement currency emission on the territory of Belarus through the Belarusian National Bank [NBP]. By 20 August, the sides will work out a specific mechanism for the exchange of NBP banknotes for Russian rubles. The sides will, if necessary, introduce changes to clauses No. 4, 5, 6, 7, and 8 of the agreement by exchanging letters between the Foreign Ministries of Belarus and Russia." As we can see, the protocol fixes only a deadline before which all disputable issues should be resolved. Will they, however, be resolved? If we recall that specific dates for carrying out the monetary merger had already been set in the past, we can be skeptical about this one as well.

The agreement on joint 1994 activities regarding the Chernobyl cleanup can be regarded as the only real achievement of the negotiations. In accordance with this pact, Russia pledged to render 22 billion rubles in financial support to Belarus. According to the agreement, these funds will be used to produce and purchase environmentally safe foodstuffs and medicine, and construct joint medical facilities.

The gist of the agreement on conditions for the stationing of Russian troops remains unknown to journalists. According to V. Chernomyrdin, this agreement regulates specific issues regarding the maintenance and functioning of Russian military facilities.

It is worth emphasizing that this is not the first time the Belarusian side has linked the monetary merger with the maintaining of Russian Armed Forces on Belarusian territory. It is not ruled out that the monetary merger is also closely connected with Russia purchasing property in Belarus (pipelines, oil-processing plants, and so on). Moreover, the joint communique emphasizes the need to "set up and run intergovernmental companies and industrial-financial groups."

The Russian prime minister also met with presidential candidate Alyaksandr Lukashenka. Viktar Chernomyrdin stated that Russia will respect the choice made by the Belarusian people.

Government Grants Loan to Agricultural Producers

PM1207125794 Moscow SELSKAYA ZHIZN in Russian 9 Jul 94 p 1

[Report from ITAR-TASS, UKRINFORM-TASS, and BELINFORM-TASS column: "R500 Billion for the Countryside"]

[Text] The Belorussian [Belarusian] Government has taken the unprecedented step of deciding to issue the Republic's agricultural producers with a budgetary loan of 500 billion rubles [R] at 6.5 percent annual interest. The government believes that this will make it possible to procure feed and make preparations for bringing in the 1994 harvest.

A corresponding directive has virtually doubled purchase prices of milk sold by agricultural producers, including private traders, which will also make it possible to improve their financial state and boost their commitment to increasing milk production. Some R200 billion has been earmarked to ensure settlement for grain.

Moldova

Prime Minister Views Draft Law on Gagauz

AU1207134094 Chisinau BASAPRESS in English 2300 GMT 8 Jul 94

[Text] Comrat BASAPRESS, 8/7/1994—Through the proposed modifications the government has made public its opinion on the Gagauz Eri draft on the ethnic Gagauz special juridical status; these modifications should not be regarded as an insult to the Gagauz population, but rather as the acknowledgement of the rights of all ethnic minorities in the southern districts, according to international norms, stated Prime Minister Andrei Sangheli in a meeting with economic units' managers and mayors of the Leova District. Sangheli mentioned that Chisinau tolerates compromises with the condition that Moldova's integrity and independence are preserved. BASAPRESS learned from informed sources that Petru Buzaji, Gagauz vice president and chairman of the parliamentary commission for settling the Gagauz problem, and Nicolae Telpiz, deputy chairman of the commission, met with Ion Ungureanu, chairman of the Moldovan parliamentary commission for settling the Gagauz problem. The Gagauz envoys mentioned during the meeting that "the Moldovan leadership and media have changed their attitude toward the settlement of the Gagauz problem." They also said that "the settlement is deliberately delayed" and that "modifications made unilaterally by the Moldovan parliamentary commission force the Gagauz side to return to the decisions made by the 7th Congress of the Gagauz deputies of all levels and Gagauz parliamentary session on 17 February 1992." According to these decisions "if the Moldovan Parliament delays

settling the Gagauz problem, the Gagauz side assumes the right to return to the decisions aiming to consolidate parallel state structures."

Gagauz Leaders Protest Sangheli Stance

AU1207165894 Chisinau BASAPRESS in English 2250 GMT 11 Jul 94

[Text] Comrat BASAPRESS, 11/7/1994—The leaders of the self-proclaimed Gagauz Republic sent a letter to Mircea Snegur, Moldovan president, Petru Lucinschi, Moldovan speaker of Parliament, and Andrei Sangheli, Moldovan premier. They demand an explanation for the Moldovan Government's letter regarding the Gagauz Eri—Gagauzia draft bill. They expressed their confusion that the letter was signed by Premier Sangheli, who was an initiator of the negotiations on the special status of the region inhabited by the ethnic Gaguz population. The Gagauz leaders say that "certain Moldovan forces create unacceptable conditions for the Gagauz people and propose a draft bill, which makes possible the blaming of Comrat leaders for radicalism and stubbornness." They deplore the fact that the ethnic Gagauz "are offered a sort of national district." They demand that the Moldovan officials "erase the doubts that they are insincere in approving the Gagauz Eri—Gagauzia national territorial autonomy before the Parliamentary examination of the special juridical status." "We would like to remind you that the Gagauz people confirmed their will to achieve self-determination in the 6 March opinion poll. Any attempt to reduce the status to a national-administrative formation is doomed," states the letter signed by Gagauz President Stepan Topal and Gagauz Speaker of Parliament Mikhail Kendigelyan.

Dniester's Smirnov Arrives for Talks in Chisinau

AU1207145794 Chisinau BASAPRESS in English 2300 GMT 8 Jul 94

[Text] Chisinau BASAPRESS, 8/7/1994—Igor Smirnov, president of the self-proclaimed Dniester Republic, arrived today in Chisinau to try to foster the talks with Chisinau, report informed sources from the Tiraspol governing circles. Representatives of the Tiraspol official news agency OLVIA-PRESS confirmed that Smirnov is in Chisinau. According to unconfirmed information, Smirnov intends to meet with Sergey Krylov, Russian deputy foreign minister, who will soon arrive in Chisinau with radical proposals regarding the settlement of the Dniester dispute. Vladimir Plechko, Russian ambassador to Moldova, confirmed that Krylov will visit Chisinau. He told BASAPRESS that this will be a work-related visit, whose agenda was not yet established. Aleksandr Karaman, the Dniester vice president, told BASAPRESS that he knows neither about Smirnov's visit to Chisinau, nor about Smirnov's plans to meet with Krylov. Chisinau parliamentary decision-makers told BASAPRESS that they will not meet with Smirnov.

Russia's Krylov Holds Talks on Dniester, 14th Army

AU1207164394 Chisinau BASAPRESS in English 2250 GMT 11 Jul 94

[Text] Chisinau BASAPRESS, 11/7/1994—Yesterday Sergey Krylov, Russian deputy minister of foreign affairs arrived in Chisinau on an official visit, told BASAPRESS Iurie Bodrug, deputy head of the CIS Direction of the Moldovan Foreign Affairs Ministry. According to him, Krylov met yesterday with the leadership of the Moldovan Foreign Affairs Ministry. Vladimir Plechko, the Russian ambassador to Chisinau, attended the meeting. Bodrug said that among the issues discussed were: The relations between the Republic of Moldova and Russia; the withdrawal of the 14th Army; the Russian mediator's role in the peaceful settlement of the Dniester conflict; the cooperation within the Black Sea Countries' Economic Cooperation Organization; and the CIS. Krylov also met with members of the Joint Control Commission and expressed his hope that the situation in Dniester will remain calm. Later on Krylov had a closed-doors meeting with general Aleksandr Lebed, the commander of the 14th Army. Today Krylov met with the speaker of the Moldovan Parliament, with Prime Minister Andrei Sangheli, and General Pavel Creanga, the defense minister of Moldova. Krylov is to return tomorrow to Moscow.

Dniester Hands Over Alleged Spy to Romanian Consuls

AU1207145694 Chisinau BASAPRESS in English 2330 GMT 9 Jul 94

[Text] Chisinau BASAPRESS, 9/7/1994—Friday, 8 July, afternoon, in Tiraspol, Nicolae Haraga, the alleged Romanian spy arrested by the Dniester authorities, was handed over to the Romanian consuls working in Moldova, Flora Dragoi and Aurel Cretu. The Romanian diplomats took Haraga from the Dniester Ministry of Interior. Tiraspol officials said that Nicolae Haraga had been arrested one month ago due to the violation of regulations on foreign citizens. Sources from the Romanian embassy stated that the Tiraspol officials made no reference to the accusations of espionage brought against Haraga on Tiraspol television on 6 July. Tiraspol television claimed that Haraga confessed that he was a Romanian secret service officer and that he was on a reconnaissance mission to organize subversive acts. Nicolae Haraga, age 18, stated that he was not mistreated during his 30-day detention. The Romanian consuls did not request explanations on the accusations of espionage made by Tiraspol television.

Opposition Criticizes Parliament, Draft Constitution

AU1207164494 Chisinau BASAPRESS in English 2250 GMT 11 Jul 94

[Text] Chisinau BASAPRESS, 11/7/1994—The Peasants' and Intellectuals' Bloc (BTI) held today a press conference to discuss the first 100 days of the new

parliament's activity. "The new parliament is inefficient and the measures adopted to revive the economic situation are mere declarations," said Valeriu Matei, chairman of the BTI. Matei stated that the BTI deputies consider that the Constitutional Preamble should be replaced by the Declaration of Independence and that Article 13 on the official language be formulated according to scientific analyses. Alexandru Mosanu, a BTI leader, said that if the majority makes no concession to the opposition, "the new Constitution will contain Soviet concepts about Moldova." He said that the majority wants to justify in the Constitution the turning of Moldova into a Soviet colony. Matei added that the BTI will request the exclusion of Article 111 from the Constitution on granting special autonomy status to eastern and southern regions of Moldova. "The way in which the article is formulated allows for the creation of several autonomous states in Moldova," said Matei.

Kazakhstan

Supreme Council Examines Baykonur Agreement

LD1207120394 Almaty Kazakh Radio Network in Kazakh 0100 GMT 12 Jul 94

[Text] Yesterday a meeting of the Supreme Council of the Republic of Kazakhstan's coordination council examined the matter concerning the veto by the president of the effects of some sections of legal acts of the law of the Republic of Kazakhstan that were recently adopted. Amends and addenda were made on the law for the provision of material and pensions of procurators. The interstate agreement between the Republic of Kazakhstan and the Russian Federation on the basic principles and conditions for utilizing the Baykonur complex was presented for its ratification.

Opposition Rally Protests Economic Failures

LD12u7134794 Moscow Ostankino Television First Channel Network in Russian 1200 GMT 12 Jul 94

[From the "Novosti" newscast]

[Text] Failures of the anticrisis program have caused disaffection among the people of Kazakhstan. An opposition rally has been held in Alma-Ata [Almaty].

[Correspondent Isaak Dvorkino report from Kazakhstan—identified by caption] Those who quite recently were supporting the president and backing his reforms—veterans, families with many children, single mothers and skilled workers—are today protesting against the government's antipeople's policies. They demand constitutional supervision over the actions of chairmen and heads of administrations, as well as guarantees of minimum social security.

The Kazakh Government has deemed that one can subsist on 486 tenge. In reality, this sum is enough to buy you about five pounds of salami, bread, and milk every two or three days—for half a month. To ensure survival, the poor man's basket should contain four to five times as much money.

According to data from the human rights committee, about 40 percent of the republic's inhabitants can even now be classified as poor. At least as many are teetering on the brink of poverty. Meanwhile the government is prepared to spend 21 million tenge on the making of a film entitled "Abay's Way"; to compensate the worse-off, the pensioners and the disabled throughout the republic it has earmarked 28 million tenge.

The slogan sounded at the rally was: Kazakhstan's poor, unite! They say a specter is haunting the Republic.

Kyrgyzstan

Akayev on New Belarusian, Ukrainian Presidents

LD1207181594 Moscow INTERFAX in English 1603 GMT 12 Jul 94

[Text] Kyrgyz President Askar Akayev said he hoped that the new presidents elected in Belarus and Ukraine would make the integration process in the CIS more active and dynamic.

At a press conference in Bishkek today Akayev said he knew and respected Leonid Kuchma as a pragmatist in the economy who had always spoken in favor of integration in the CIS.

Akayev said he believed that new Belarussian President Alyaksandr Lukashenka could also be interested in strengthening integration. Akayev said he remembered that when Lukashenka was a people's deputy he had stood against ratification of the Belaya Vezha Agreements dismissing the USSR.

Uzbekistan

Partnership for Peace Agreement Signed in Brussels

LD1307111194 Moscow ITAR-TASS World Service in Russian 0956 GMT 13 Jul 94

[Report by ITAR-TASS correspondent Aleksandr Mineyev]

[Excerpts] Brussels, 13 Jul—Uzbekistan today became the 22d participant in the Partnership for Peace program offered in January by the leaders of NATO countries to states in Central and Eastern Europe and the former USSR. Uzbek Foreign Minister Saidmukhtar Saidkasymov visited the NATO Brussels headquarters and signed the program's framework document. [passage omitted]

Saidkasymov and Sergio Balanzino reported that a NATO delegation was being sent to Tashkent on 21 July. Together with the Uzbek side, it would study specific proposals for the preparation of a presentation document and then an individual program for the "Uzbekistan-NATO" partnership. One of the main points of concrete cooperation in the military sphere can already be named: the training of officers for Uzbekistan's Armed Forces.

Party Endorses Central Asian Leaders Summit

LD1307082994 Tashkent Radio Tashkent Network in Uzbek 0145 GMT 13 Jul 94

[Excerpt] A decree adopted by the political executive committee of the Central Council of the People's Democratic Party of Uzbekistan fully endorses the decisions and the documents adopted at the Almaty summit of the heads of states of the Republics of Kazakhstan, Kyrgyzstan, and Uzbekistan. The historical importance of this summit was stressed, particularly as it reflected the interests of the peoples in the region and looked into ways to tackle problems in the field of economic reforms, democratic transformations, and uniting the Central Asian countries. [passage omitted]

Armenia

Turkey Makes Proposal on Nagorno-Karabakh

NC1207133194 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0728 GMT 12 Jul 94

[Text] Yerevan ("LRAGIR", "AZG" dailies), 07/12/94—A RA [Republic of Armenia] Parliament delegation, including Babken Ararktsyan, Ashot Voskanyan and Harutyun Karapetyan, participated in a CSCE interparliamentary meeting held in Vienna on July 4-8.

Head of the RA delegation Babken Ararktsyan reported on the results of the conference and said, "several unexpected for us approaches have been presented in Vienna". The Armenian delegation presented the political and economic results of RA parliament's functioning, development of laws on constitution and elections, the attitude of Armenia concerning the RMK [Republic of Mountainous Karabakh] conflict and Minsk group programs.

Mr. Ararktsyan said that the final document signed, the declaration, consists of four basic topics: political problems and security, economics, science and technology problems, democracy, human rights and humanitarian aid, problems concerning Yugoslavia.

The first major topic concerns Russian troops in Moldova, several "hot" areas in the former USSR, problems of Baltic republics, the role of NATO etc. The subtopics 34-38 (out of total 74) concern Mountainous Karabakh. Their essence is in promotion of further activities of the Minsk group.

Turkish representative has declared that quarter of the Azeri territory is occupied by Armenian forces, and stressed that Karabakh is an inseparable part of Azerbaijan. The speaker proposed to revise corresponding subtopics of the declaration. According to Babken Ararktsyan, these were the most dangerous additions and corrections, which could have been accepted, and only one minute was available to the Armenian side to convince the other 53 countries not to vote for this.

Fortunately, the US delegation presented three topics against the Turkish proposal. First, the notion of "Mountainous Karabakh territory of Azerbaijan" is not understandable, since the CSCE Minsk group concluded that the RMK status will be discussed within the framework of the peace project. Second, one quarter of the Azeri territory being occupied was set under question. And finally, the formulation "Armenian forces" is unacceptable. As a result, only 7-8 members voted for the Turkish proposal.

Prime Minister, Iranian Envoy Discuss Cooperation

NC1207152494 Yerevan Radio Yerevan International Service in Armenian 2000 GMT 11 July 94

[Text] Armenian Prime Minister Grant Bagratyan received Ahmad Sobhani, the Iranian charge d'affaires ad interim in Armenia, at the latter's request.

Mr. Sobhani conveyed to the prime minister the proposals of the Iranian Government on the further development of Armenian-Iranian cooperation. They specifically discussed the establishment of joint ventures, cooperation on banking operations, organization of an exhibition in Armenia of the products of nearly 200 Iranian enterprises.

The construction of Megri bridge and matters relating to free border trade were also raised during the meeting.

Press Secretary Cited on Newly Elected CIS Leaders

LD1207165694 Moscow INTERFAX in English 1512 GMT 12 Jul 94

[From the "Presidential Bulletin" feature: Compiled by Nikolay Zherebtsov, Andrey Petrovsky; Edited by Vladimir Shishlin]

[Text] Armenia is ready to continue cooperation with the leaders of any CIS country or other country elected democratically, the Armenian president's Press Secretary Levon Zurabyan told Interfax.

Zurabyan said that Yerevan respected the right of the peoples of Ukraine and Belarus which had elected their new presidents. Zurabyan voiced hope that relations between Armenia and these countries would be developing on a friendly and mutually beneficial basis.

However, Zurabyan did not comment on the results of the presidential elections in detail saying he had as yet no official results of the presidential elections in Ukraine and Belarus.

IF Note: The second round of the presidential elections in Ukraine and Belarus took place last Sunday. In Belarus former head of the parliamentary commission on struggle with corruption Alexander Lukashenko achieved a convincing victory with 80.1 percent of votes. His contender Premier Vyacheslav Kebich canvassed only 14.1 percent of votes.

In Ukraine, according to early election results, ex-premier Leonid Kuchma won with more than 52 percent of votes. More than 45 percent of votes were given for his contender - present Ukrainian President Leonid Kravchuk.

Russian Delegation Discusses Cooperation in Yerevan

LD1307091394 Moscow ITAR-TASS in English 0816 GMT 13 Jul 94

[By ITAR-TASS correspondent Tigran Liloyan]

[Text] Yerevan July 13 TASS—State delegations from the Russian Federation and the Republic of Armenia have met in Yerevan, capital of Armenia, to discuss the deployment of Russian military bases on the Armenian territory, prospects for economic cooperation, including the activity of Russian builders in restoring housing in Armenia's regions devastated by the 1988 earthquake.

The Russian delegation leader, Ambassador at Large Vsevolod Oleandrov said in an interview with ITAR-TASS that the two delegations would consider draft agreements which the two countries are planning to sign. The Russian diplomat said relations between the Russian Federation and Armenia were and remain good, friendly and close.

The Armenian delegation leader, State Minister Armenak Kazaryan said the visit of the Russian delegation was quite important and stressed the military, political and economic problems, as well as Russia's participation in the clean-up operations in Armenia as the key points for discussion.

The Russian delegation includes representatives of different ministries and departments, Defence Ministry officials among them. The Russian military are being led to talks with Armenia by Colonel-General Vladimir Kuznetsov.

Karabakh Leader Meets With Ter-Petrosyan

NC1207181594 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 12 Jul 94

[Text] Robert Kocharyan, chairman of State Defense Committee of Nagorno-Karabakh Republic [NKR], is in Yerevan on a working visit. Armenian President Levon Ter-Petrosyan received him. The positions of Armenia and NKR on the present stage of a peaceful resolution of the Karabakh problem were examined during the meeting. Chairman of the Supreme Council Babken Ararktsyan, State Minister Vazgen Sargisyan, and Interior Minister Vano Siradegyan were present at the meeting.

Robert Kocharyan was also received today by Armenian Prime Minister Grant Bagratyan. Economic issues were discussed during the meeting.

President Receives French Human Rights Envoy

NC1207160294 Yerevan Armenia's Radio First Program Network in Armenian 1950 GMT 11 Jul 94

[Text] Armenian President Levon Ter-Petrosyan today received Louis Juannette [as heard], French president's adviser on human rights and legal affairs, who is on a visit to Yerevan.

Matters relating to the development of cooperation between Armenia and France were discussed during the meeting.

Karabakh Official Returns From European Parliament

NC1207131994 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0728 GMT 12 Jul 94

[Text] Stepanakert ("HAYASTANI HANRAPETUTYUN" daily) 07/12/94—Acting Chairman of the RMK [Republic of Mountainous Karabakh] Supreme Council Karen Baburyan returned from Strasbourg, where he participated in a session of Europarliament.

"The positive side of this visit was that the two sides of the conflict, Azerbaijan and the RMK, sat around the table. The thing is, Europarliament has previously accepted two formulas, correctly reflecting the principal course of the Karabakh conflict, but incorrectly viewing it as an Armenian-Azeri conflict. The progress is that Karabakh and Azerbaijan have been invited without Armenia this time. The European Council was interested by the fact that Karabakh used its right of withdrawing from Azerbaijan by keeping international norms, which have once been acting in the shape of the USSR laws. We have presented corresponding documents, evidencing that a referendum was carried out in the Karabakh, with participation of international observers."

'All for All' Prisoner Exchange Proposed

944K1705D Yerevan RESPUBLIKA ARMENIYA in Russian 8 Jul 94 p 1

[Unattributed article: "Armenians Ready To Exchange All Prisoners"]

[Text] Armenia is prepared to exchange prisoners with Azerbaijan, according to the principle of "all for all." This position of the authorities of Armenia was confirmed by the republic's minister of foreign affairs, Vagan Papazyan, at a meeting with the deputy speaker of the House of Lords of the British Parliament, Caroline Cox, in Yerevan.

In Papazyan's words, this proposal from the Armenians was conveyed to the authorities of Azerbaijan through the International Red Cross. At the same time, the head of the Armenian foreign political department stated that the Azerbaijan side had not yet given any response to this proposal, which "could solve the problem immediately and completely and contribute to strengthening mutual trust."

Israel's Knesset Debates Armenian Genocide

944K1705A Yerevan RESPUBLIKA ARMENIYA in Russian 8 Jul 94 p 1

[Unattributed article: "Armenian Genocide Discussed in Knesset]

[Text] Doctor of Historical Sciences Bardan Grigoryan, scientific associate of the Matendaran, returned to Yerevan a couple of days ago after a long business trip to Jerusalem. An ARMENPRESS correspondent asked him to discuss the position of the Israeli parliament regarding the genocide of Armenians and the attitude of the European community in general toward that question.

On 24 April of this year, V. Grigoryan said, Israeli television addressed the mass slaughter of Armenians in Turkey, calling it the first genocide of the 20th century. A commentator on the program "Weekly Chronicle," reporting information on the genocide of Armenians, held a discussion with a Jerusalem resident, Yegiya Gakhvechan, who related how in 1915 they exterminated the Armenians, forcing them out of Urfa and other places, including almost all the members of his large family.

Then the floor was turned over to the ambassador from Turkey, Onyur Gokchey, who tried to deny the fact of the genocide of Armenians in Turkey, considering this an inevitable consequence of the First World War. Considering the number of Armenians killed to be exaggerated, at the same time the ambassador stated that Israel's interest in the genocide of the Armenians could harm relations between Israel and Turkey.

The Jewish people, who were subjected to terrible genocide during World War II and lost more than 6 million of their sons, were very disturbed by the statement from the Turkish ambassador. People everywhere began to discuss Turkey's unsupportable and immoral position regarding this issue. It is known that West Germany, having admitted the fact of the genocide of Jews by Fascist Germany, paid an immense sum as reimbursement to the Jewish state. Every Jewish citizen who spent time in the concentration camps received one-time material assistance (15,000 marks) and also a pension for life. And Turkey, claiming to be a civilized state, does not even want to admit the genocide it perpetrated on the Armenians.

The Aidat (Armenian issue) Commission organized a demonstration in front of the building of the Israeli Knesset. Many Armenians from Jerusalem, Haifa, and Jaffa participated in it. The demonstrators handed the chairman of the Knesset and all his deputies a petition containing a condemnation of the genocide of Armenians perpetrated by the Turks and also the delivery of Israeli arms to Azerbaijan.

This unprecedented situation contributed to the fact that at its 27 April session, the Israeli parliament began to discuss the issue of the genocide of Armenians. The first to speak was the Knesset chairman Shevah Weis, who turned the floor over to the chairman of the Labor Party, Deputy Emmanuel Zisman. He demanded that Israel's deputy foreign affairs minister send a statement regarding this to the Turkish ambassador.

Israel's deputy foreign affairs minister, Yesi Beyli [name as transliterated], said in his response that his ministry was aware of Turkey's position regarding the genocide of Armenians and that the Jewish people, based on their common historic destinies, could not remain indifferent to the suffering of the Armenian people. But since Israel attaches great importance to its relations with Turkey, especially now that an agreement has been signed with the Palestine Liberation Organization, in connection with which dialogue between Israel and Turkey has expanded, he considers it wrong to let the Armenian issue serve as a cause for any disagreements between Turkey and Israel.

Taking the floor again, Emmanuel Zisman said that relations with Turkey had to be strengthened, of course, but at the same time it was impossible to remain indifferent to the statement denying the fact of the genocide. The Turkish ambassador with his statement is actually denying the genocide of the Jews.

Then deputies from the opposition party Likud, David Make and Avraam Shireo [names as transliterated] insisted that there are questions that are linked to the fundamental principles of the nation and that they must not be distorted to suit politics. The Turkish ambassador should give a verbal and written statement that there are issues which the Jewish nation cannot ignore. This refers to the recognition of the genocide of the Armenians by Turkey.

At the end of the hearings Deputy Foreign Affairs Minister Yesi Beyli noted that the Turks have always tried to deny the fact of the genocide of the Armenians they perpetrated 80 years ago, trying, along with stabilizing relations between the two countries, directly or indirectly to impose their viewpoint on the Jews. "And even worse—for many years they did everything they could to make us participate in the denial of the fact of the genocide of the Armenians," he stated. "But in no case did we ever extend them a hand in this matter. So I can appear here (meaning the Knesset—V.G.) with clean hands."

Beyli ended his speech with the following words, which we are quoting from an article in the newspaper KAMK ("Will"): "We did not accept the superficial explanation that 'these events occurred because of the war.' It was indeed slaughter. It was genocide. And we must support the Armenians in saying that there was this event, which the entire world must always remember."

Parliament Reviews Newspaper's Status

944K1705B Yerevan RESPUBLIKA ARMENIYA in Russian 8 Jul 94 p 1

[Article from the news department under the rubric "Parliament": "Founder-Newspaper: No Clear-Cut Relations"]

[Text] At the session of the Supreme Council of the Republic of Armenia on the morning of 6 July a report was heard from the editor in chief of the newspaper AYASTANN ANRAPETUTYUN, Aydin Morikyan,

who discussed thematic articles and the newspaper's financial position, and he also noted the shortcomings and omissions, which have objective and subjective preconditions. This issue was addressed by the chairman of the parliament commission on questions of the press, Meruzhan Ter-Gulanyan, who noted the uncertain situation in which the newspaper has ended up from both a legal and a financial standpoint. In this connection he suggested that they introduce into the law "On the Supreme Council of the Republic of Armenia" the corresponding addition, which would fill the gap that has appeared. Incidentally, the question of the newspaper's status evoked the stormiest debates—opposing viewpoints were expressed in this regard. During the course of the discussion of the activity of "AA" various proposals were expressed—both proposals concerning the subsequent course of the discussion of this issue and proposals related to possible decisions expected as a result of the discussions. Then the problem of regulation of the newspaper's financing was discussed and the corresponding documents were submitted.

Television Workers Threaten Strike

944K1705C Yerevan RESPUBLIKA ARMENIYA in Russian 8 Jul 94 p 1

[Article from News Department: "Is a 'Bad' Example Contagious?"]

[Text] The passions stirred by the strike of the subway workers had barely cooled when the city's residents were flabbergasted by a report that television workers were threatening to resort to a similar action. Skeptics were not slow in recapitulating that nothing else could be expected. That is, it was not that the "bad" example was contagious, but that indeed "it is impossible to go on living like this." Meaning with these wages and these prices. The ultimatum from the television workers—according to rumors anyway—looked extremely impressive: Raise wages to 15,000 drams and give an answer by 11 July. Otherwise, television would cease to function. Under the conditions of all different kinds of blockades plus this "information blockade," little good could be expected not from outside but from within. Although there is no doubt that circumstances had been leading up to this decision....

But still, in order to clarify the situation, we contacted the leaders of ATV, from whom we learned that it was by no means the entire collective that had decided to resort to this extreme measure for expression of social dissatisfaction, but only the technical personnel.

One can understand how they feel, although the demands were raised to an unrealistic level, not to mention the fact that TV, being a budget organization, does not have absolute freedom in such matters. Perhaps if their miserly wages had been paid on time, the passions would not have been so heated.

Nonetheless, the TV leaders think that a "consensus will be reached"—within reasonable limits. Wages will be increased by freeing up finances after certain of the earmarked structural transformations take place and certain programs are curtailed or terminated. They will also look for possibilities of making other improvements in the work process. So let us hope that the strike, like thunder, will pass us by.

Azerbaijan

Turkey Proposes Peacekeepers for Karabakh

944K1720A Baku AZERBAYDZHAN in Russian 9 Jul 94 p 3

[F. Aleskeroglu report: "Turkey's Peacemaking Efforts"]

[Text] Mrs. Tansu Ciller, prime minister of Turkey, has requested of Turkey's Grand National Assembly that she be granted the authority to commit a peacekeeping force to the zone of the Karabakh conflict. The appeal has caused a great stir both in parliament and throughout the country. The Anatolia Press Agency requested of the Ministry of Foreign Affairs of Turkey an exhaustive explanation.

According to the information received, Turkish servicemen also will be committed to the conflict zone. They will have the status of disengagement peacekeeping force. According to the country's constitution, any use of Turkey's armed forces outside of the country is permitted only with the consent of the Grand National Assembly. It was this that dictated Mrs. Tansu Ciller's appeal. Considering the urgency of the matter, the opinion that parliament will render a decision as quickly as possible has been expressed.

It is reported concerning status and rules that the troops would be committed according to a plan of the CSCE, in accordance precisely with prescribed formats, and, what is most important, unarmed. They would perform the functions of international observers and be subordinate to the decisions of the CSCE Minsk Group, monitoring the cease-fire, the withdrawal of the armed forces, the liberation of the occupied territories, the return of lines of communication to a normal state, and the return of the refugees to their permanent places of abode; the peacekeeping force committed to the disengagement zone would be supplied from Erzurum. This is the base of Turkey's armed forces that is the most fully supplied and the closest to the region. The explanation of the Ministry of Foreign Affairs of Turkey emphasizes particularly that this action should not be compared or equated with the operations of the peacekeeping forces in Bosnia-Herzegovina or Rwanda, or with the actions being mounted by the UN force in Iraq. It is a question of active assistance in a peaceful solution of the conflict and an end to the military confrontation and of a search for ways to stabilize the situation in the region.

Meanwhile, the Turkish armed units sent to undertake peacekeeping actions in Yugoslavia have stopped just short of Sarajevo in anticipation of questions that have

arisen in respect to their deployment. For the umpteenth time, bureaucratism is proving more important than human blood. And people awaiting assistance have been forced to wait for a solution of petty questions.

Guliyev Receives Iranian Regional Officials

NC1207205194 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 12 Jul 94

[Text] Chairman of Supreme Soviet Rasul Guliyev received an official delegation from Iran's Gilan Province. Our correspondent Sakit Ocakli reports:

[Begin Ocakli recording] Chairman of the Supreme Soviet Rasul Guliyev received the Iranian delegation warmly and noted that every guest arriving from the neighboring Iranian Republic should feel at home here.

Mr. [name indistinct], the governor of Gilan Province, thanked Rasul Guliyev for the reception despite heavy parliamentary work today. He said that Azerbaijani President Geydar Aliyev's visit to Iran created a positive impression among the people and society. He noted that they were pleased to see that the people went out to the streets and expressed such great respect and affection towards the Azerbaijani leader.

The representatives of the cities of Astara, Enzeli, and Heshbe [place-names as heard] pointed out that ties between Azerbaijan and Iran have further developed in recent years. The guests said that they visited our republic's southern parts and met with refugees temporarily settled in Imishlinskiy and Sabirabadskiy Rayons.

Rasul Guliyev said that the development of economic cooperation with the neighboring Iranian state is highly beneficial because the two peoples are linked together by strong desire and long-standing aspirations.

Rasul Guliyev also received today Ayatollah [name indistinct], the representative of (?Khamenei) in Gilan Province, and the official delegation accompanying him.

The Azerbaijani parliamentarians and Iranian Ambassador to Azerbaijan 'Ali Akbar Nahavandian were present at the meeting. [end recording]

Aliyev Continues Contacts in Saudi Arabia

NC1207193194 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 12 Jul 94

[Text] President Geydar Aliyev's official visit to Saudi Arabia is in its fourth day. Aliyev held a series of interesting meetings in Jeddah yesterday that were important for Azerbaijan. While Azerbaijan makes special initiatives to secure the support of an influential Islamic country like Saudi Arabia, the latter makes a special effort to help Azerbaijan acquire a most deserving place among the Islamic countries.

A meeting was held yesterday between Saudi Arabian King Fahd Bin-'Abd-al-'Aziz al Saud and the Azerbaijani president. The principles of economic, political, and cultural cooperation between Azerbaijan and Saudi Arabia were discussed during the high-level talks. The war in which Azerbaijan is involved was also discussed.

The statement signed at the conclusion of the talks indicated that the sides resolutely condemn Armenia's military aggression against Azerbaijan, and consider Armenia's occupationist policy against Azerbaijan and attempts to occupy land by force as being contrary to international norms. The sides called for the immediate withdrawal of the Armenian Armed Forces from the Azerbaijani lands and the peaceful resolution of the conflict at the negotiating table.

Talks between the Azerbaijani President and Saudi Arabian king are continuing today.

War Interrupts Nagorno-Karabakh Parliament

944K1705E Yerevan RESPUBLIKA ARMENIYA in Russian 8 Jul 94 p 1

[Unattributed report: "War Does Not Allow...."]

[Text] The parliament of the Nagorno-Karabakh Republic has not held a single session this year. As Secretary of the Supreme Council of the Nagorno-Karabakh Republic Vladik Akopyan said in an interview with the SNARK agency, the cause of such a lengthy recess is explained by the combat conditions that exist in Nagorno-Karabakh to this day.

In addition to this he noted that nine of the people's elected representatives had died since the war had been going on, several deputies—mainly from the Shaumyanovskiy and Mardakertskiy Rayons of the Nagorno-Karabakh Republic, which are occupied by the Azerbaijani Army—had become refugees, and some of the members of parliament were engaged in urgent army affairs.

In Akopyan's words, the Karabakh parliament would be able to resume its work only under the conditions of a stable and long-term cease-fire.

At the same time he reported that the Supreme Council, taking advantage of the relative calm that had come to the fronts recently, had held new elections for the vacant positions in the parliament.

In the situation that has developed, Akopyan added, the Presidium of the Supreme Council had taken over some of the authority from the session of the Supreme Council and adopted a number of important laws, which will be submitted to the parliament for approval.

Soldiers Prohibited From Wearing Uniforms in Baku

NC1207211494 Baku TURAN in English 1713 GMT 12 Jul 94

[Text] Baku (July 12) TURAN - According to the command of Colonel Amirov, head of Baku garrison, military men are prohibited to wear cold steel and firearms

without a special permission. The decision was adopted "to provide security of the population and not to prevent appearance of armed people in the streets."

According to the order, to prevent the transportation to Baku from the front line of military equipment, weapons and explosives, the Baku garrison's commandant was instructed to arrange checking of transport and civilians together with the head of Baku City Interior Department. The command says that "people, violating the order, will be detained and delivered to the department of military police or interior."

The order of wearing weapons and military uniform is established by this command. Wearing of military uniform beyond the borders of Baku garrison is prohibited. The number of dismissals for military men is limited to minimum.

Georgia

Georgian, Azeri Commanders Discuss Peacekeeping

LD1207190994 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 12 Jul 94

[From the "Novosti" newscast]

[Text] Guards Colonel Vasiliy Zarubitskiy today assumed command of the unified safety zone in the area of the Georgian-Abkhazian conflict in which the Russian peacekeeping forces are deployed. The unification of the safety zones was necessary for more efficient command and interaction between the blue helmets subunits.

[Begin correspondent V. Perfilyev recording] A meeting of the junior defense ministers of the two republics was held today at the initiative of the Russian peacekeeping force command in Transcaucasia. This is the first such meeting after the military actions in the zone of the Georgian-Abkhazian conflict were stopped. General Guran Nikolaishvili, first deputy defense minister, represented the Georgian side, the Abkhazian delegation was led by General Sergey Dbar, chief of the General Staff.

The military commanders agreed to cooperate in peacekeeping operations. It was decided that Georgia will withdraw all its military formations from the Kodori Gorge within a week. Military personnel in charge of guarding peace in the conflict zone are concerned about the fate of refugees in Zugdidi and Gali. The commanders intend to inform leadership of their republics about this.

Danish General John Hvidegaard, the head of the UN military observers in Transcaucasia, spoke highly about the Russian peacekeeping forces' actions. He expressed hope that thanks to joint efforts of all sides a lasting peace on the Kodori and Inguri shores may be restored soon.

Kodor Gorge Situation 'Remains Stable'

LD1207121994 Moscow INTERFAX in English 1112 GMT 12 Jul 94

[Text] The situation in the Kodor Gorge in Abkhazia, where confrontation between Georgian and Abkhaz armed groups has been continuing, remains stable. The press center of the Georgian Defense Ministry told INTERFAX that no incidents had been reported over the last four days.

The press center reports that both sides in the gorge are in telephone contact.

On Tuesday UN observers plan to visit Georgian villages situated in the gorge.

The press center maintains that the Georgian command will provide the observers with every opportunity for evaluating the situation in the Kodor Gorge.

Armed Groups To Leave Kodor Gorge 'Next Week'

LD1207193094 Moscow INTERFAX in English 1759 GMT 12 Jul 94

[Text] Georgian armed formations will be withdrawn from the Kodor Gorge within the next week, said the delegation of the Georgian Defense Ministry today during a meeting with representatives of the Russian peacekeeping forces and the Abkhaz defense structures in the Abkhaz region of Ghali, well-informed sources in Sukhumi told Interfax.

Georgian Deputy Defense Minister Zurab Nikolaishvili, however, said at a meeting with Commander of the Russian Peacekeeping Forces in the Conflict Zone Vasiliy Yakushev in Zugdidi on July 11 that Georgian militants, about 850 people would remain at their positions [sentence as received].

Nikolaishvili also said that the armored equipment of the Georgian troops would not be withdrawn from the Kodor Gorge but would be rounded up and stationed near the Saken Village, the Abkhaz Defense Ministry said.

The Abkhaz Defense Ministry assessed this statement as contradicting the agreement on a cease-fire and separation of troops signed in Moscow on May 14. In accordance with this agreement all Georgian armed formations must be withdrawn from Abkhaz territory.

Deputy Chief of the main headquarter of the Abkhaz Army Vladislav Ankvab told journalists in Sukhumi that if the Georgian military equipment was not withdrawn from the Kodor Gorge the Abkhaz troops would try to seize it.

Shevardnadze Views Ties With Russia, Turkey

NC1307120094 Istanbul CUMHURIYET in Turkish 9 Jul 94 p 9

[Report by Ahmet Sefik: "The Western Countries Wanted Russia To Take Action in the Caucasus"]

[Text] Tbilisi—President Eduard Shevardnadze, who has been forced to grant bases to Russia's military forces in Georgia, has said that he had "no alternative." Arguing that the United Nations and Western countries were unwilling to take action on the Abkhazia crisis, he said: "The West wanted Russia to intervene in the region. Therefore, Russia was the only alternative we had to end the war." Shevardnadze also argued that various circles wish to resurrect some of the views championed by the former Soviet Union.

President Shevardnadze stressed that he wishes to improve cooperation between Georgia and Turkey. In an exclusive statement to CUMHURIYET, he said that there is a very difficult situation in his country and that they have no control over various developments. He also said that Georgia's approach to the Abkhazia problem has not been effectively explained to the world. Asked to assess Russia's increasing influence in the Caucasus as a result of the war and internal confusion, Shevardnadze asserted: "I believe there is no reason to worry. That is how we should view the matter. We have no other way of resolving the problem of Abkhazia. Problems emerged in the arrangements made by UN officials. We got no response to our appeals. They failed to send troops. Some 300,000 Georgians have been evicted from Abkhazia and have become refugees. Thousands of people were shot and killed. More than half of Abkhazia has been destroyed by fire. The two sides have suffered greatly. Three-quarters of Abkhazia's people have become refugees. Allowing them to return to their homes is very difficult. Russia assumed responsibility when the United Nations and Western countries failed to help and take the necessary initiatives. Everyone is aware of all the operations."

Shevardnadze said that the Western countries or the UN or NATO would have been successful had they acted. However, he stressed that they refrained from doing so and left his administration with no alternative. Shevardnadze asserted: "It is as if the West wanted Russia to take action."

Russia's Role

Shevardnadze was asked to comment on reports that "Russia has played an important role in the war between Abkhazia and Georgia and in the Armenian occupation of some Azerbaijani territory, a situation that will give Moscow an opportunity to control the Caucasus." He replied: "The former Soviet Union was imperialistic. However, it has disintegrated. Still, many officials continue to hold such views. They can be found in many places. We are trying to be careful. Order had to be established. That was the way to resolve our problems and find a solution to end the war. That was to be done either by the UN or Russia. The third alternative was to continue the war. However, we did not wish to prolong the war. Considering our difficult situation, we were convinced that a solution should be found to end it. So Russia took action when we said no to the war."

President Shevardnadze said that he understands the anxiety the presence of Russia's troops in the region has caused and noted that they will be under UN control.

Regarding relations between Georgia and Turkey, Shevardnadze said that Turkey holds a special place in his country's foreign policy. He asserted: "We have held lengthy talks; it is time to do something. We wholeheartedly wish to cooperate with Turkey. Turkey can enter Russia's markets through Georgia. We are working with Russia on projects such as establishing a common market and free trade. There are interesting prospects in that field. Turkey and Georgia can cooperate in modernizing various installations. They also can cooperate in many other fields, including communications and transportation. An effort is being made to achieve stability in Georgia. However, pushing Turkey aside when we move to establish friendly relations with Russia is out of the question."

Interview With Defense Minister Nadibaidze

LD1207221894 Tbilisi First Program Television Network in Russian 1730 GMT 12 Jul 94

[Interview with Georgian Defense Minister Vardiko Nadibaidze by Mark Ryvkin, head of the Russian language department of Georgian Teleradio corporation, at the Tbilisi Television studio on 12 July—live or recorded]

[Excerpts] [Mark Ryvkin] Georgian Defense Minister Vardiko Nadibaidze is a guest of the of Georgian Television's first channel. [passage omitted] My first question is about your recent visit to Moscow and your meetings with Russian Defense Minister Pavel Grachev. How important is it now and how important will it be generally for the Georgian Army and the Georgian state?

[Vardiko Nadibaidze] I was indeed in Moscow a few days ago and had a working meeting with Russian Defense Minister Pavel Sergeevich Grachev. One of the major issues we discussed during our conversation was the Abkhazian issue.

Incidentally, Pavel Sergeevich Grachev had intended to come here early in July in order to assure himself about all those negative actions taken by Abkhazia, that is, noncompliance with clauses of agreements. However, his plans changed, and he is planning to come here approximately in mid-July. Unfortunately, some actions taken by the Abkhaz side impede our work. They create obstacles in establishing checkpoints, create various difficulties. As for the Kodori gorge, they keep firing, thus provoking a counteraction. The most amazing thing is that they claim that we are always the first to open fire.

However, we have been forced to stop their firing in order to prevent a situation that could lead to objectionable consequences.

I expressed my opinion about this and other things with him in Moscow. I believe that during his visit he will make a fair assessment of who has been doing what and will set plans to secure a situation leading to stability and compliance with all clauses of agreements and, the principal point, the return of refugees.

[Ryvkin] Things have apparently been made clear by recent statements by the commanders of Russian peacekeeping forces. General Georgiy Kondratyev, in particular, has made rather strongly-worded statements in his interviews to Moscow TV. He even said that the Russian peacekeeping forces were forced to change its name, saying that these were united [word indistinct] with a joint base and the joint headquarters in Gali. In addition, the Abkhaz side has been trying to present this as if there have been two different sides [as heard].

[Nadibaidze] I have obtained the latest information: Due to an extreme tenseness of the situation, the commanders of the Russian troops there [words indistinct] say that unless we comply with clauses of the agreements and unless we start the process of the return of refugees to Gali rayon, the population will become extremely indignant. They still trust us, and they are waiting for the decision.

[Ryvkin] We saw a peaceful situation yesterday, and it was clear that the people can no longer endure the situation. [passage omitted]

[Nadibaidze] The desperation of these people can be understood. As a military person I can understand the situation in which the peacekeeping troops find themselves. A serious interference is required now, not only of the military but also politicians, in order to make urgent decisions on this issue.

There were also other issues I discussed with Pavel Sergeevich Grachev. We discussed the issue of building Georgian armed forces. The attitude is extremely benevolent, and one can feel a great desire to help young Georgian army get stronger. [passage omitted] I can confidently say that they will help. Like the defense minister, I feel actual assistance in everything that has been happening lately. The cooperation can be felt. I felt it particularly after a talk with Colonel General Fedor Mikhailovich Reut, commander of the group of Russian Troops in Transcaucasia, with his deputies and other officers. The contact is very good, and I feel they show a great desire to help us.

[Ryvkin] Batono Vardiko, I cannot help but take advantage of the presence of the defense minister, and I want you to talk about the Army. We all know that the process has started. We are all well aware what our Army used to be not too long ago. In addition, you are the first professional military in the post of defense minister. I do not mean Giorgiy Karkarashvili, who is also a professional servicemen. He had no experience as a commander, he never commanded an army, and I think he never commanded even smaller units. As for you, you are a professional, and you have been the defense minister for two and a half months now. I would like you to say briefly in what condition you received our armed forces and what you have achieved during this very short period of time. We can all see that something has been achieved.

[Nadibaidze] It is indeed a satisfying fact that people notice certain small steps forward. There is an aspiration to do more. These are not simply words, in fact, I have a feeling of dissatisfaction. More could have been done during my two months as minister but there are many problems.

The principal task is to comprehend the strength of the Army. We have been looking into the strength of the Army, and we had to set three commissions. They all visited troops and took counts. The first figure we obtained was 49,000 servicemen....

[Ryvkin interrupting] Does this figure meet international standards and the quotas determined for Georgia?

[Nadibaidze] In fact, this figure meets international standards. However, unfortunately, the number of servicemen given did not correspond with the reality. The final figure showed just over 17,000 servicemen. [passage omitted] We have made calculations and considered the results with the Commander in Chief Eduard Ambrosiyevich Shevardnadze, as well as at the collegium of our ministry. Taking into consideration the current difficult economic situation in Georgia, we think that 15,000 is closer to the reality. Some 10,000 in ground forces and some 5,000 [words indistinct] in antiaircraft defense, and this should be taken as the basis for building the armed forces. [passage omitted]

Brigades and corps are rather large formations, and they do not correspond to the real situation in the number of the personnel. A brigade should consist of about 1,000 men, while, in fact, we have from 300 to 700 men. Taking into consideration our possibilities, we cannot set up brigades and corps. Therefore, we are planning to create a system of battalions. [break in reception at 1741 GMT for remainder of program]

Estonia

Present's Statement on Yeltsin's Human Rights Charges

WS1207120894 Tallinn Ministry of Foreign Affairs Press Release in English 1952 GMT 11 Jul 94

[Statement by President Lennart Meri "regarding the G-7 summit in Naples," released in Tallinn on 11 July—received via Internet]

[Text] In Estonia, we followed the G-7 summit with great interest especially the statements by Russian Federation President Boris Yeltsin, who was invited to participate in political discussions held in conjunction with the summit. During U.S. President Bill Clinton's visit to Riga last week, we discussed our most recent proposals for a troop withdrawal, which should transpire on 31 August 1994 without additional conditions. In Riga, I was glad to hear that Mr. Clinton supported the proposals, and promised to pass them on to Mr. Yeltsin in Naples. We were gratified to learn that Mr. Clinton discussed our proposals with Mr. Yeltsin. I was also glad to hear via the mass media that Mr. Yeltsin is ready to meet with me in the hope of normalizing relations between our two countries. At the same time, I noted Mr. Yeltsin's accusations of alleged human rights violations in Estonia. Given that dozens of fact-finding missions from states and international organizations have failed to find evidence of such alleged abuses, I am amazed at Mr. Yeltsin's choice of language, which is hardly congruous with the desire to normalize relations. Still, I remain hopeful that we can resolve our remaining issues so that a summit between Mr. Yeltsin and myself can take place and that the troop withdrawal will occur without additional conditions. We are waiting both for Mr. Yeltsin's reactions to our proposals as well as for Mr. Yeltsin's invitation.

Meri Awaiting Yeltsin Talks Invitation

LD1207163794 Moscow INTERFAX in English 1512 GMT 12 Jul 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] President Lennart Meri stated he was glad to learn from the media that Boris Yeltsin was ready to meet with him for normalizing relations between Russia and Estonia.

Meri circulated a statement which says that during the American- Baltic summit in Riga on July 6 the Baltic leaders had passed over to the U.S. president their proposal on the Russian troops' withdrawal from Estonia without any additional terms. According to Meri's sources, the U.S. and Russian presidents had discussed this proposal during the Naples summit

"I hope we'll cope with the rest of the problems, too, so I could meet with Yeltsin and the troops could be withdrawn without additional terms. We are waiting for Boris Yeltsin to respond to our proposals and invite us to talks," says Meri's statement.

Commenting on Yeltsin's statements on violations of human rights in Estonia, Meri stated that the expressions used by Yeltsin hardly reflected the plans to normalize relations. IF Note: After the political discussion in Naples, Russian President Boris Yeltsin stated on Sunday that by August 31, Russia would withdraw its troops from Germany and Latvia. Asked by a journalist about the Russian troops' withdrawal from all of the Baltic states by this date, he said that "Russia's relations with Estonia were more complicated, because Estonia grossly violated human rights. "This refers in the first place to the military pensioners," said Yeltsin.

Foreign Minister Comments on Clinton-Yeltsin Meeting

WS1207145694 Tallinn Ministry of Foreign Affairs Press Release in English 1132 GMT 12 Jul 94

["Comments" by Estonian Foreign Affairs Minister Juri Luik "on the meeting of U.S. President Bill Clinton and Russian President Boris Yeltsin in Naples"—received via Internet]

[Text] "We are glad that U.S. President Clinton agreed to convey our demands to Russian President Yeltsin. At the same time, we are surprised at the Russian President's initial reaction. The Russian Federation's attempts to apply pressure on Estonia through troops remaining in Estonia are in discordance with traditional norms upheld in the international community. When a nation categorically does not wish to have Russian troops on its territory, they must then unconditionally be withdrawn. August 31, 1994 is the deadline for achieving this which was put forth by the Russian delegation and which has received unequivocal support from the Nordic countries, the European Union and the United States of America.

"Estonia has assumed that the Russian Federation is not indifferent where the opinion of the democratic public is concerned, and, insomuch as it wishes to become a member of several international organizations, including G-7, that it is prepared to fulfill the demands those organizations place upon their members.

"Estonia has patiently held all kinds of negotiations and consultations with Russia, so that the remnants of World War II would not only be gone from Germany but also, on August 31, 1994, from Latvia and Estonia. Entering into sharp contradiction with the reports of numerous international missions, the Russian president once more repeated accusations of human rights violations in Estonia. Actually, as a member state of the Council of Europe and party to many international agreements, Estonia closely follows universally recognized, international norms of human rights.

"President Yeltsin's proposal to meet with President Meri is a productive step. As is well remembered,

Estonia declared a similar intention already a year ago. Hopefully, we will receive proposals from the Russian side regarding the date and agenda of the meeting.

"Estonian politicians will not give up hope. Political consultations at the level of the presidents and foreign ministers demonstrate a desire to bring the arduous process of troop withdrawal to a close."

Government Discusses Ceremony To Mark Russian Pullout

LD1207192994 Moscow INTERFAX in English 1759 GMT 12 Jul 94

[Text] The Estonian government met in session on Tuesday to discuss the ceremony for marking the departure of Russian troops from the country. Prime Minister Mart Laar told a news conference afterwards the government was going under the assumption that the last Russian soldier would leave Estonia on August 31. At the same time he refused to say when or where the farewell ceremony would take place.

Prime Minister Laar said that technically the withdrawal by August 31 was quite feasible and that only a political decision was required.

At present there are about 2500 Russian troops in Estonia. Russia links the signing of the withdrawal treaty with the granting of residence permits and other social guarantees for military pensioners remaining in Estonia. At the Naples G-7 summit, which ended on Monday, President Yeltsin did not rule out that Russian troops could stay in Estonia after August 31 if human rights abuses continued there.

Ministry Official 'Not Concerned' by Kiev-Moscow Ties

WS1307082794 Tallinn ETA in English 1753 GMT 12 Jul 94

["News Release"]

[Text] Estonia is not concerned over tendencies in Ukraine to have closer relations with Russia, Toivo Klaar, the head of the Estonian delegation, said after returning from Kiev. Klaar, the head of political department of the Foreign Ministry, said that no political circles had actually expressed wishes to abandon Ukraine's independence.

Head of a Foreign Ministry bureau, Mart Helme, said the biggest problem in Ukraine were tensions between President Leonid Kuchma and the parliament. "...the new president must undoubtedly work with the parliament and as a result of compromises, the reforms should still continue," Helme said.

Estonian delegation also met deputy Foreign Minister Borys Tarasyuk who had expressed hope that Russian forces left Estonia by the August 31 deadline. Tarasyuk also said that one of Ukraine's priorities was to enlarge its embassy in Tallinn.

"Ukraine is foremost interested in the ties we have with international organizations and, of course, reaching the North European market," Foreign Ministry's spokesman Juri Arusoo said.

Latvia

Peasant Union Ministers, Officials Submit Resignations

LD1207144094 Riga Radio Riga Network in Latvian 1300 GMT 12 Jul 94

[Text] A session of the Cabinet of Ministers is taking place, at which Minister of Agriculture Janis Kinna, Minister of Welfare Janis Ritenis, and Girts Lukins, minister of the environment and regional development, have submitted their resignations to Premier Valdis Birkavs. We reported yesterday that the Peasants' Union has curtailed its activities within the governing coalition and the government, because its believes the Latvian Way association has broken the coalition agreement and is not fulfilling the declaration on the Cabinet's intended work. The Peasants' Union believes that the most important issue has not been resolved—averting a crisis situation in agriculture.

Resigning with the ministers are also Edmunds Krastins, the minister of state for state Property, and the parliamentary secretaries at the Ministries of Agriculture and the Environment and Regional Development. The Latvian Peasants' Union faction will not link the issue of customs tariffs with the problems of reviewing the citizenship law, Andris Rozentals, the chairman of the Latvian Peasants' Union faction in the Saeima, told a news conference today.

The fact that the Latvian Way did not support the increased customs tariffs proposed by the Peasants' Union [LZS] is one of the main reasons the LZS is leaving the governing coalition. Rozentals said that the Peasants' Union faction might possibly take note of the recommendations of the Conference on Security and Cooperation in Europe to remove from the citizenship bill the quota of 0.1 percent for allocating citizenship after the year 2000. The Latvian Peasants' Union will not be present at the session due tomorrow on citizenship issues, as work in the coalition has ceased. The Latvian Way faction will report on its own decision.

President Guntis Ulmanis was also due to take part in the session of the Latvian Way and the Peasants' Union tomorrow on citizenship issues.

Birkavs Accepts Resignations

LD1207184394 Riga Radio Riga Network in Latvian 1800 GMT 12 Jul 94

[Text] Premier Valdis Birkavs has informed members of the cabinet that he has accepted the resignation of three ministers representing the Latvian Peasants' Union. However, until the appointment of new ministers, Minister of Agriculture Janis Kinna, Minister of Welfare Janis Ritenis, and Girts Lukins, minister of the environment and regional development, will continue to perform their duties in the government.

Government Approves Free Trade Accord With EU

LD1207190294 Riga Radio Riga Network in Latvian 1800 GMT 12 Jul 94

[Text] The free trade agreement between Latvia and the European Union [EU] was approved at the government session today. Premier Valdis Birkavs will sign it on 18 July in Brussels. In view of the fact that the Commission of the European Union has offered to start talks with Latvia on assigning it associate membership at the end of this month, a special working group has been formed for this purpose by government resolution.

Turkish Foreign Minister Arrives 12 Jul

LD1207131794 Riga Radio Riga Network in Latvian 0900 GMT 12 Jul 94

[Text] Turkish Foreign Minister Hikmet Cetin arrived in Latvia today on an official visit. He met with Valdis Birkavs, Latvia's prime minister and acting foreign minister [as heard].

Following this meeting Cetin laid flowers at the Freedom Monument, and at this time he is meeting with State President Guntis Ulmanis. A Latvian-Turkish treaty of friendship and cooperation is to be signed today. It should be recalled that diplomatic relations between Latvia and Turkey were established for the first time in 1924, and renewed on 3 September 1991.

Jurkans on Russian Ties, Baltic Security

PM1207154694 Copenhagen BERLINGSKE TIDENDE in Danish 7 Jul 94 p 8

[Report on interview with former Foreign Minister Janis Jurkans by Soren Ostergaard Sorensen in Riga; no date given]

[Text] Riga—Former Latvian Foreign Minister Janis Jurkans hopes that the Balts will abandon their attempts to win security guarantees from outside and begin to think instead about internal stability.

"Our extreme nationalists have helped to create (extreme Russian nationalist) Zhirinovskiy and Latvia's legislation is currently undermining our own national interests by seeking a dangerous conflict with Russia and the Russian people," Janis Jurkans said.

Latvia's former foreign minister is not among the optimists when it comes to the future of his country. In the view of the former Latvian foreign minister, who was one of the prime movers behind Latvian independence and one of the most prominent Baltic politicians on the international scene in the great period of change from 1989 to 1991, Latvian treatment of the large Russian-Slavic minority is helping to lead Latvia into an international blind alley where relations with Latvia's large eastern neighbor are being made worse, at the same time as it is blocking integration into the institutions of Western Europe and hindering the country's economic development.

Jurkans left the post of foreign minister in October 1992 in protest at the citizenship laws which introudced strictly limited quotas for how many non-Latvians may acquire Latvian citizenship. Because of the deportation or the flight of ethnic Latvians and the large-scale Slav influx—often enforced—during the period of Soviet occupation the Latvian share of the of the 2.6 million population is today only around 53 percent.

In the capital, Riga, the Latvians are clearly in the minority. Russians, Belarusians, and Ukrainians together comprise around 41 percent of the population of Latvia, but only very few of these have citizenship today. Around 700,000 of these Slavs—of whom the majority were born or have grown up in Latvia—are living today without normal democratic and economic rights—a state of affairs which meets with sharp criticism from Latvia's neighbors to the east and to the west and which has excluded the country from membership of the Council of Europe.

Jurkans, the former national hero, is today a political outsider, fiercely criticized by the Latvians for his proposals that Russians and the other minorities be given citizenship.

"I am viewed as a traitor, a persona non grata, or like a 'nigger lover' in the United States of the 1950's," Jurkans said.

"We will never succeed in being a fully developed country if so large a part of the population is excluded. This is lunacy from both the security and economic viewpoints. We have to say that those people who wish to remain here as loyal citizens of Latvia must be allowed to stay.

"The majority of the Latvian population are unwilling to forgive the Russians. I do not think that we should forget what has happened. But the Russians who live here are not the guilty ones; and we have to learn that forgiveness is one of civilization's most basic instincts," said Janis Jurkans, who believes that the Baltic expectations of yesterday's visit by U.S. President Bill Clinton have been excessive.

"People want a security guarantee. But people have to understand that the United States does not want to do anything which could appear provocative in relations with Russia. This would be in conflict with the United States' overall interests. The United States cannot give us a guarantee, and we must not expect such a guarantee from outside. The real security guarantee for Latvia and the other Baltic countries is domestic political stability," said Jurkans, who believes that the Latvian national mood reinforces the nationalist attitudes that are to be found all the way to the top in Russia. Take Foreign Minister Andrey Kozyrev, for example.

"If you analyze Andrey Kozyrev, you can see that he has taken some ammunition from Zhirinovskiy's arsenal. Today's Kozyrev is not the Kozyrev of 1991. When I have asked him why he has changed so much, he has said: I am a democrat and I have to listen to what my voters are saying and what the mood is among the Russians. This is what is dangerous. We have created our local Zhirinovskiys and are therefore lending support to their Zhirinovskiy. There is only one question which is able to unite the whole political spectrum in Russia and it is the defense of the Russian minorities in 'the near abroad.' No one should be in any doubt that the situation would be very very dangerous for us if democratic developments in Russia fail. So why help to bring this about? Basically I believe that Russia has given up trying to gain control over the Baltic states. I still believe that on the home front, although not perhaps in their political speeches directed toward the outside world, there is a feeling that we are in their sphere of interest and that they will come back one day. That is why we have to do everything we can to help stability in Russia," said Janis Jurkans, who is an opponent of a NATO presence in the Baltic countries.

"We should preserve a neutrality which corresponds to what has been Finland's role hitherto and not bring any threatening Western military alliance to our countries. Our security guarantee must be found in the very balance between East and West. We cannot build a new guarantee by creating bigger problems for Russia. We have to maintain the balance, and I believe that is how the United States and Clinton are also thinking. Very few Americans have any special links with the Baltic states and they do not want their President to issue more guarantees in the field of foreign policy—and certainly not guarantees that the United States does not want or cannot keep," the former Latvian foreign minister told BERLINGSKE TIDENDE.

Lithuania

Parliament Approves 27 Aug Referendum on Privatization

WS1307082494 Vilnius ELTA in English 1824 GMT 12 Jul 94

[From "News Bulletin" No. 541]

[Text] Vilnius, July 12, ELTA—Seimas [parliament] adopted a resolution to announce the referendum on August 27, on Sunday.

The regulations of the law on illegal privatization, devaluation of deposits and shares and violations of law and order will be submitted for referendum.

Parliament Approves New Government Program 12 Jul

WS1307082694 Vilnius ELTA in English 1824 GMT 12 Jul 94

[From "News Bulletin" No. 541]

[Text] Vilnius, July 12, ELTA—On Tuesday the new programme of government was approved by Seimas [parliament]. 65 parliamentarians voted for, 38—against and 3 people abstained.

According to the Constitution, if a bigger number of governmental staff has been replaced government must submit its amended programme for Seimas consideration. This was done by Prime Minister Adolfas Slezevicius at the end of June. Slezevicius said that the government would carry out the same programme approved by Seimas last spring. Slezevicius drew Seimas attention to the main priorities that had been corrected due to economic development and newly adopted laws. The main objectives were said to be the following: development of investments in Lithuania and development of production and export.

Groups Protest During PRC Vice Premier's Visit

AU1307093894 Kiev MOLOD UKRAYINY in Ukrainian 12 Jul 94 p 1

[Unattributed report published under the rubric "Fact"]

[Text] Vice premier of the PRC State Council and minister of foreign affairs Qian Qichen, while on a visit in Vilnius, was unable to lay flowers at the graves of those people who died for Lithuanian independence. This was prevented by the Lithuanian group for supporting Tibet and the Vilnius Amnesty International group who organized pickets at the cemetery.

New Minister of Social Security Appointed

LD1207153094 Vilnius Radio Vilnius Network in Lithuanian 1300 GMT 12 Jul 94

[Excerpt] President Algirdas Brazauskas has appointed Mindaugas Mikaila to the post of minister of social security and labor on the recommendation of the prime minister.

Mindaugas Mikaila, 37, construction engineer, has held the post of deputy minister of social security since July of last year. [passage omitted]

President Views Relations With Ukraine, Reform

WS1307113094 Kiev URYADOVYY KURYER in Ukrainian 30 Jun 94 p 3

[Interview with President Algirdas Brazauskas by UKRINFORM Baltic correspondent Viktor Chernyshuk; place and date not given: "Lithuania Is Open to Ukraine"]

[Text] [Chernyshuk] Mr. President, I would like to begin our conversation with a nonmaterial question. This is prompted by the very history of our peoples.

[Brazauskas] There are, probably, no two states in Europe which—not being neighbors—share such a common history [as Ukraine and Lithuania]. Our two states could be celebrating the 700th anniversary of Lithuanians and Ukrainians living together in one state. The key goal is holding out the initiative to officially celebrate a common Lithuanian-Ukrainian holiday. In my opinion, this is up to our historians. Our unification is rather peculiar. The Lithuanian Principality—including, I might add, not many Lithuanians—was primarily composed of Slavic peoples. Entire regions—such a Kiev—were part of this principality. Even the Odessa region was part of it for more than 100 years. All the members of this principality were, however, independent. There was a reason for their living together.

This is our past. Speaking about our present, I would like to emphasize that Ukraine attracts us with its reforms, both political and economic.

[Chernyshuk] Lithuania has encountered a lengthy path of reforms during such a short period of independence. What specific knowledge could you share with your Ukrainian friends which would help Ukraine implement reforms as quickly as possible?

[Brazauskas] I would hope that Ukraine would consider our experiences, both positive and negative. I do not conceal the fact that we have made a lot of mistakes and I would like to warn our Ukrainian colleagues against repeating them. The economic situation in our states—Lithuania and Ukraine—is very much alike. Both of our states, however, have their own peculiarities. I am convinced that Ukraine could use our expertise in such sectors as pursuing an independent monetary policy and privatizing state property. We have achieved great progress in these sectors. We would also study what is positive in Ukraine. The introduction and adoption of a national currency are well under way in our state. We could invite our Ukrainian colleagues to visit us and see how everything is advancing. National currency is not only a financial consideration, but a moral one as well. The people's attitude toward money is changing, they have begun to care for it. They feel that this money belongs to them. We have managed to maintain a stable exchange rate of the lit. Immediately after the lit was introduced, inflation was curbed. These are key issues which could be discussed with our Ukrainian friends. We have no secrets from them.

[Chernyshuk] On what new reforms—attractive to Ukraine—is Lithuania going to embark?

[Brazauskas] First of all, this would have to include land reform. I am convinced that people will soon live a much better life because Ukraine has extremely fertile land and a favorable climate. I realize quite well that the agricultural sector in Ukraine is a real national treasure. The Ukrainian people—who have not yet forgotten how to work the land—are of top value, as well.

I have just signed an edict concerning land. Effective 1 July, land in Lithuania will become a commodity. Land can be bought, sold, and exchanged. We have begun changing the psychology of farmers and, in general, the people's attitude toward land. Ukraine should do the same as soon as possible. You should quickly establish cooperatives and agricultural associations instead of kolkhozes and sovkhozes, and private companies instead of state- owned firms. You will see that life is going to change. Psychology, however, changes gradually—you will need at least eight or 10 years—therefore you should embark on reforms as soon as possible. We, in our turn, will share our expertise in implementing land reform.

[Chernyshuk] Mr. President, the other aspect of Lithuanian- Ukrainian contacts is the domain of foreign policy. How do you assess Ukraine's efforts in this sector?

[Brazauskas] I wish I could be heard in Ukraine: The presidents of three Baltic states—Lithuania, Latvia, and Estonia—have repeatedly stressed the need for Western states to support Ukraine. I do not stop repeating at my official meetings that Ukraine—as state—can be compared with France. It, however, has found itself in economic isolation. There is nothing unusual about this. Ukraine played a leading role in the defense sector of the former USSR. All the large enterprises, employing tens of thousands of employees, were left without state orders, spare parts, or credits. These processes, naturally, have affected the policy of a state as large as Ukraine.

Ukraine as an independent state is in sore need of Western aid. It cannot remain in such isolation. I have repeatedly raised this issue and promise to discuss it with U.S. President Bill Clinton during our upcoming meeting in Riga.

The West has already begun to realize the true nature of Ukraine. Though Lithuania is not a big state, the world heard us. I support Leonid Kravchuk's policy. Latvian President Guntis Ulmanis shares my position. We cannot currently render financial assistance or issue credits to you because we ourselves are in need of this. Nonetheless, everywhere and always we will support the interests of Ukraine. We are trying to create the image of Ukraine as a great and powerful state because we have full understanding with the Ukrainian leadership, including on such important topics as relations between foreign policy and the economic situation. The economy, currently, demands that political decisions be adopted, even to the detriment of rational policies.

I am deeply convinced that our state should be independent. I supported this viewpoint in 1989, when I took the chance of suspending my membership in the Communist Party of Lithuania, and in 1990 when—having adopted a declaration of independence—we faced an economic blockade. Despite all those difficulties, we are holding on. We are independent. We can pay for oil, gas, and raw materials.

As for prospects for cooperation between our states, I can say the following: There are various concepts of how it should be encouraged, including the establishment of a Black-Baltic Sea alliance. This is, however, still only a concept. The idea of this alliance is outdated. Bilateral intergovernmental agreements and pacts, as well as integration with a united Europe, are more promising. Lithuania and the two other Baltic states support Ukrainian efforts regarding its desire to integrate with the European states. We welcome the agreement on relations with the European Union which was signed by Leonid Kravchuk. These are positive agreements; it is necessary to live in a single Europe and support one another.

[Chernyshuk] What would you—as one who is on friendly terms with Ukraine and its people—urge the Ukrainian people to do?

[Brazauskas] The same as what I recommended in my own state: Given the complicated situation, we should unite our efforts to resolve difficult issues. The diversity of views—even in our small state—hampers people's lives. Political intrigues should not meddle in people's lives, should not harm people, prevent them from living a better life, or ruin what has already been accomplished.

We are taking to heart what is going on in Ukraine. I wish all the best to the Ukrainian people. Your state is very rich. It is rich in good people as well.

[Chernyshuk] You can currently learn more about Ukraine through diplomatic channels. Does the Ukrainian Embassy in Lithuania help to sort things out?

[Brazauskas] In many ways. As well as the Lithuanian Embassy in Ukraine. The Ukrainian ambassador in Lithuania is an energetic person. The embassy itself initiates many moves. We are satisfied that Ukraine has such a representative embassy in Lithuania. This helps us work successfully and promptly react to any and all opportunities for mutual activities.

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